ANNUAL REPORT OF THE SECRETARY OF THE TREASURY

ON

THE STATE OF THE FINANCES

FOR THE FISCAL YEAR
ENDED JUNE 30
1932

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1932

For sale by the Superintendent of Documents, Washington, D. C. - - - - - Price 50 cents (Paper cover)

Treasury Department

Document No. 3049

Secretary

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NOTE.—Robert Morris, the first financial officer of the Government, was Superintendent of Finance from 1781 to 1784. Upon the resignation of Morris, the powers conferred upon him were transferred to the "Board of the Treasury." Those who finally accepted positions on this board were John Lewis Gervais, Samuel Osgood, and Walter Livingston. The board served until Hamilton assumed office in 1789.

Term of service		Secretaries of Treasury	Presidents
From—	To—		
Sept. 11, 1789	Jan. 31, 1795	Alexander Hamilton, New York	Washington.
Feb. 3, 1795	Dec. 31, 1800	Oliver Wolcott, Connecticut	Washington, Adams.
Jan. 1, 1801	May 13, 1801	Samuel Dexter, Massachusetts	Adams, Jefferson.
May 14, 1801	Feb. 9, 1814	Albert Gallatin, Pennsylvania [1]	Jefferson, Madison.
Feb. 9, 1814	Oct. 5, 1814	George W. Campbell, Tennessee	Madison.
Oct. 6, 1814	Oct. 21, 1816	Alexander J. Dallas, Pennsylvania	Madison.
Oct. 22, 1816	Mar. 6, 1825	Wm. H. Crawford, Georgia	Madison, Monroe.
Mar. 7, 1825	Mar. 5, 1829	Richard Rush, Pennsylvania [2]	Adams, J. Q.
Mar. 6, 1829	June 20, 1831	Samuel D. Ingham, Pennsylvania [3]	Jackson.
Aug. 8, 1831	May 28, 1833	Louis McLane, Delaware	Jackson.
May 29, 1833	Sept. 22, 1833	Wm. J. Duane, Pennsylvania	Jackson.
Sept. 23, 1833	June 25, 1834	Roger B. Taney, Maryland [4]	Jackson.
July 1, 1834	Mar. 3, 1841	Levi Woodbury, New Hampshire [5]	Jackson, Van Buren
Mar. 6, 1841	Sept. 11, 1841	Thomas Ewing, Ohio [6]	Harrison, Tyler.
Sept. 13, 1841	Mar. 1, 1843	Walter Forward, Pennsylvania [7]	Tyler.
Mar. 8, 1843	May 2, 1844	John C. Spencer, New York [8]	Tyler.
July 4, 1844	Mar. 7, 1845	Geo. M. Bibb, Kentucky	Tyler, Polk.
Mar. 8, 1845	Mar. 5, 1849	Robt. J. Walker, Mississippi [9]	Polk.
Mar. 8, 1849	July 22, 1850	Wm. M. Meredith, Pennsylvania	Taylor, Fillmore.
July 23, 1850	Mar. 6, 1853	Thos. Corwin, Ohio	Fillmore.
Mar. 7, 1853	Mar. 6, 1857	James Guthrie, Kentucky	Pierce.
Mar. 7, 1857	Dec. 8, 1860	Howell Cobb, Georgia [10]	Buchanan.
Dec. 12, 1860	Jan. 14, 1861	Philip F. Thomas, Maryland	Buchanan.
Jan. 15, 1861	Mar. 6, 1861	John A. Dix, New York	Buchanan.
Mar. 7, 1861	June 30, 1864	Salmon P. Chase, Ohio [11]	Lincoln.

[1] While holding the office of Secretary of the Treasury, Gallatin was commissioned envoy extraordinary and minister plenipotentiary Apr. 17, 1813, with John Quincy Adams and James A. Bayard, to negotiate peace with Great Britain. On Feb. 9, 1814, his seat as Secretary of the Treasury was declared vacant because of his absence in Europe. William Jones, of Pennsylvania (Secretary of the Navy), acted ad interim Secretary of the Treasury from Apr. 21, 1813, to Feb. 9, 1814.

[2] Rush was nominated Mar. 5, 1825, confirmed and commissioned Mar. 7, 1825, but did not enter upon the discharge of his duties until Aug. 1, 1825. Samuel L. Southard, of New Jersey (Secretary of the Navy), served as ad interim Secretary of the Treasury from Mar. 7 to July 31, 1825.

[3] Asbury Dickens (chief clerk), ad interim Secretary of the Treasury from June 21 to Aug. 7, 1831.

[4] McClintock Young (chief clerk), ad interim Secretary of the Treasury from June 25 to 30, 1834.

[5] McClintock Young (chief clerk), ad interim Secretary of the Treasury from Mar. 4 to 5, 1841.

[6] McClintock Young (chief clerk), ad interim Secretary of the Treasury Sept. 12, 1841.

[7] McClintock Young (chief clerk), ad interim Secretary of the Treasury from Mar. 1 to 7, 1843.

[8] Spencer resigned as Secretary of the Treasury May 2, 1844; McClintock Young (chief clerk), ad interim Secretary of the Treasury from May 2 to July 3, 1844.

[9] McClintock Young (chief clerk), ad interim Secretary of the Treasury from Mar. 6 to 7, 1849.

[10] Isaac Toucy, of Connecticut (Secretary of the Navy), acted as Secretary of the Treasury ad interim from Dec. 10 to 12, 1860.

[11] George Harrington, District of Columbia (Assistant Secretary), ad interim Secretary of the Treasury from July 1 to 4, 1864.

Secretaries of the Treasury and Presidents under whom they served—Continued

Term of service		Secretaries of Treasury	Presidents
From—	To—		
July 5, 1864	Mar. 3, 1865	Wm. P. Fessenden, Maine [12]	Lincoln.
Mar. 9, 1865	Mar. 3, 1869	Hugh McCulloch, Indiana [13 14]	Lincoln, Johnson.
Mar. 12, 1869	Mar. 16, 1873	Geo. S. Boutwell, Massachusetts	Grant.
Mar. 17, 1873	June 3, 1874	Wm. A. Richardson, Massachusetts	Grant.
June 4, 1874	June 20, 1876	Benj. H. Bristow, Kentucky [15]	Grant.
July 7, 1876	Mar. 9, 1877	Lot M. Morrill, Maine	Grant, Hayes.
Mar. 10, 1877	Mar. 3, 1881	John Sherman, Ohio [16]	Hayes.
Mar. 8, 1881	Nov. 13, 1881	Wm. Windom, Minnesota [17]	Garfield, Arthur.
Nov. 14, 1881	Sept. 4, 1884	Chas. J. Folger, New York [18]	Arthur.
Sept. 25, 1884	Oct. 30, 1884	Walter Q. Gresham, Indiana	Arthur.
Oct. 31, 1884	Mar. 7, 1885	Hugh McCulloch, Indiana [14]	Arthur, Cleveland.
Mar. 8, 1885	Mar. 31, 1887	Daniel Manning, New York	Cleveland.
Apr. 1, 1887	Mar. 6, 1889	Chas. S. Fairchild, New York	Cleveland, Harrison.
Mar. 7, 1889	Jan. 29, 1891	Wm. Windom, Minnesota [17 19]	Harrison.
Feb. 25, 1891	Mar. 6, 1893	Chas. Foster, Ohio	Harrison, Cleveland.
Mar. 7, 1893	Mar. 5, 1897	John G. Carlisle, Kentucky	Cleveland, McKinley
Mar. 6, 1897	Jan. 31, 1902	Lyman J. Gage, Illinois	McKinley, Roosevelt.
Feb. 1, 1902	Mar. 3, 1907	L. M. Shaw, Iowa	Roosevelt.
Mar. 4, 1907	Mar. 7, 1909	George B. Cortelyou, New York	Roosevelt.
Mar. 8, 1909	Mar. 5, 1913	Franklin MacVeagh, Illinois	Taft.
Mar. 6, 1913	Dec. 15, 1918	W. G. McAdoo, New York	Wilson.
Dec. 16, 1918	Feb. 1, 1920	Carter Glass, Virginia	Wilson.
Feb. 2, 1920	Mar. 3, 1921	David F. Houston, Missouri	Wilson.
Mar. 4, 1921	Feb. 12, 1932	Andrew W. Mellon, Pennsylvania	Harding, Coolidge, Hoover.
Feb. 13, 1932		Ogden L. Mills, New York	Hoover.

[12] George Harrington (Assistant Secretary), ad interim Secretary of the Treasury from Mar. 4 to 8, 1865.

[13] John F. Hartley, of Maine (Assistant Secretary), ad interim Secretary of the Treasury from Mar. 5 to 11, 1869.

[14] Hugh McCulloch was Secretary from Mar. 9, 1865, to Mar. 3, 1869, and also from Oct. 31, 1884, to Mar. 7, 1885.

[15] Charles F. Conant, of New Hampshire (Assistant Secretary), ad interim Secretary of the Treasury from June 21 to 30 (July 6), 1876.

[16] Henry F. French, of Massachusetts (Assistant Secretary), ad interim Secretary of the Treasury from Mar. 4, to 7, 1881.

[17] William Windom was Secretary from Mar. 8, 1881, to Nov. 13, 1881, and also from Mar. 7, 1889, to Jan. 29, 1891.

[18] Charles E. Coon, of New York (Assistant Secretary), ad interim Secretary of the Treasury from Sept. 4 to 7, 1884; Henry F. French, of Massachusetts (Assistant Secretary), ad interim Sept. 8 to 14, 1884; Charles E. Coon ad interim Sept. 15 to 24, 1884.

[19] A. B. Nettleton, of Minnesota (Assistant Secretary), ad interim Secretary of the Treasury from Jan. 30 to Feb. 24, 1891.

UNDER SECRETARIES OF THE TREASURY AND PRESIDENTS AND SECRETARIES UNDER WHOM THEY SERVED

Term of service		Under Secretaries [1]	Secretaries	Presidents
From—	To—			
July 1, 1921	Nov. 17, 1923	S. Parker Gilbert, jr , New Jersey	Mellon	Harding, Coolidge.
Nov. 20, 1923	Feb. 1, 1927	Garrard B. Winston, Illinois	Mellon	Coolidge.
Mar. 4, 1927	Feb. 12, 1932	Ogden L. Mills, New York	Mellon	Coolidge, Hoover.
Feb. 13, 1932		Arthur A. Ballantine, New York	Mills	Hoover.

[1] Office established act June 16, 1921; appointed by the President.

ASSISTANT SECRETARIES OF THE TREASURY AND PRESIDENTS AND SECRETARIES UNDER WHOM THEY SERVED

Term of service: From—	To—	Assistant Secretaries [1]	Secretaries	Presidents
Mar. 12, 1849	Oct. 9, 1849	Charles B. Penrose, Pennsylvania	Meredith	Taylor.
Oct. 10, 1849	Nov. 15, 1850	Allen A. Hall, Pennsylvania	Meredith, Corwin	Taylor, Fillmore.
Nov. 16, 1850	Mar. 13, 1853	William L. Hodge, Tennessee	Corwin, Guthrie	Fillmore, Pierce.
Mar. 14, 1853	Mar. 12, 1857	Peter G. Washington, District of Columbia.	Guthrie, Cobb	Pierce, Buchanan.
Mar. 13, 1857	Jan. 16, 1861	Philip Clayton, Georgia	Cobb, Thomas, Dix.	Buchanan.
Mar. 13, 1861	July 11, 1865	George Harrington, District of Columbia.[2]	Chase, Fessenden, McCulloch.	Lincoln, Johnson.
Mar. 18, 1864	June 15, 1865	Maunsell B. Field, New York	Chase, Fessenden, McCulloch.	Lincoln, Johnson.
Jan. 5, 1865	Nov. 30, 1867	William E. Chandler, New Hampshire.	Fessenden, McCulloch.	Lincoln, Johnson.
July 11, 1865	May 4, 1875	John F. Hartley, Maine	McCulloch, Boutwell, Richardson, Bristow.	Johnson, Grant
Dec. 2, 1867	May 31, 1868	Edmund Cooper, Tennessee	McCulloch	Johnson.
Mar. 20, 1869	Mar. 17, 1873	William A. Richardson, Massachusetts.	Boutwell	Grant.
Mar. 8, 1873	June 11, 1874	Frederick A. Sawyer, South Carolina.	Richardson, Bristow.	Grant.
July 1, 1874	Apr. 3, 1877	Charles F. Conant, New Hampshire.	Bristow, Morrill, Sherman.	Grant, Hayes.
Mar. 4, 1875	June 30, 1876	Curtis F. Burnam, Kentucky	Bristow	Grant.
Aug. 12, 1876	Mar. 9, 1885	Henry F. French, Massachusetts	Morrill, Sherman, Windom, Folger, Gresham, McCulloch, Manning.	Grant, Hayes, Garfield, Arthur, Cleveland.
Apr. 3, 1877	Dec. 8, 1877	Richard C. McCormick, Arizona	Sherman	Hayes.
Dec. 9, 1877	Mar. 31, 1880	John B. Hawley, Illinois	Sherman	Hayes.
Apr. 10, 1880	Dec. 31, 1881	J. Kendrick Upton, New Hampshire.	Sherman, Windom, Folger.	Hayes, Garfield, Arthur.
Feb. 28, 1882	Apr. 16, 1884	John C. New, Indiana	Folger	Arthur.
Apr. 17, 1884	Nov. 10, 1885	Charles E. Coon, New York	Folger, Gresham, McCulloch, Manning.	Arthur, Cleveland.
Mar. 14, 1885	Apr. 1, 1887	Charles S. Fairchild, New York	Manning	Cleveland.
Nov. 10, 1885	June 30, 1886	William E. Smith, New York	Manning	Cleveland.
July 12, 1886	Mar. 12, 1889	Hugh S. Thompson, South Carolina.	Manning, Fairchild, Windom.	Cleveland, Harrison.
Apr. 6, 1887	Mar. 11, 1889	Isaac N. Maynard, New York	Fairchild, Windom.	Cleveland, Harrison.
Apr. 1, 1889	July 20, 1890	George H. Tichner, Illinois	Windom	Harrison.
Apr. 1, 1889	Oct. 31, 1890	George T. Batchelder, New York[3]	Windom	Harrison.
July 22, 1890	Dec. 1, 1892	A. B. Nettleton, Minnesota	Windom, Foster	Harrison.
July 23, 1890	June 30, 1893	Oliver L. Spaulding, Michigan	Windom, Foster, Carlisle.	Harrison, Cleveland.
Apr. 27, 1891	Oct. 31, 1892	Lorenzo Crounse, Nebraska	Foster	Harrison.
Nov. 22, 1892	Mar. 3, 1893	John H. Gear, Iowa	Foster	Harrison.
Dec. 23, 1892	Apr. 3, 1893	Genio M. Lambertson, Nebraska	Foster, Carlisle	Harrison, Cleveland.

[1] Office established act Mar. 3, 1849; appointed by the Secretary. Act Mar. 3, 1857, made the office presidential.

[2] Act Mar. 14, 1864, provided for an additional Assistant Secretary.

[3] Act July 11, 1890, provided for an additional Assistant Secretary.

Assistant Secretaries of the Treasury and Presidents and Secretaries under whom they served—Continued

Term of service		Assistant Secretaries [1]	Secretaries	Presidents
From—	To—			
Apr. 12, 1893	Apr. 7, 1897	Charles S. Hamlin, Massachusetts.	Carlisle, Gage	Cleveland, McKinley.
Apr. 13, 1893	Mar. 31, 1897	William E. Curtis, New York	Carlisle, Gage	Cleveland, McKinley.
July 1, 1893	May 4, 1897	Scott Wike, Illinois	Carlisle, Gage	Cleveland, McKinley.
Apr. 7, 1897	Mar. 10, 1899	William B. Howell, New Jersey	Gage	McKinley.
Apr. 7, 1897	Mar. 4, 1903	Oliver L. Spaulding, Michigan	Gage, Shaw	McKinley, Roosevelt.
June 1, 1897	Mar. 5, 1901	Frank A. Vanderlip, Illinois	Gage	McKinley.
Mar. 13, 1899	June 3, 1906	Horace A. Taylor, Wisconsin	Gage, Shaw	McKinley, Roosevelt.
Mar. 6, 1901	Apr. 15, 1903	Milton E. Ailes, Ohio	Gage, Shaw	McKinley, Roosevelt.
Mar. 5, 1903	Mar. 5, 1905	Robert B. Armstrong, Iowa	Shaw	Roosevelt.
May 27, 1903	Jan. 21, 1907	Charles H. Keep, New York	Shaw	Roosevelt.
Mar. 6, 1905	Nov. 1, 1909	James B. Reynolds, Massachusetts.	Shaw, Cortelyou, MacVeagh.	Roosevelt, Taft.
July 1, 1906	Mar. 15, 1908	John H. Edwards, Ohio	Shaw, Cortelyou	Roosevelt.
Jan. 22, 1907	Feb. 28, 1907	Arthur F. Statter, Oregon	Shaw	Roosevelt.
Apr. 23, 1907	Mar. 6, 1909	Beekman Winthrop, New York	Cortelyou	Roosevelt.
Mar. 17, 1908	Apr. 10, 1909	Louis A. Coolidge, Massachusetts.	Cortelyou, MacVeagh.	Roosevelt, Taft.
Apr. 5, 1909	June 8, 1910	Charles D. Norton, Illinois	MacVeagh	Taft.
Apr. 19, 1909	Apr. 3, 1911	Charles D. Hilles, New York	MacVeagh	Taft.
Nov. 27, 1909	July 31, 1913	James F. Curtis, Massachusetts	MacVeagh, McAdoo.	Taft, Wilson.
June 8, 1910	July 3, 1912	A. Piatt Andrew, Massachusetts	MacVeagh	Taft.
Apr. 4, 1911	Mar. 3, 1913	Robert O. Bailey, Illinois	MacVeagh	Taft.
July 20, 1912	Sept. 30, 1913	Sherman P. Allen, Vermont	MacVeagh, McAdoo.	Taft, Wilson.
Mar. 24, 1913	Feb. 2, 1914	John Skelton Williams, Virginia	McAdoo	Wilson.
Aug. 1, 1913	Aug. 9, 1914	Charles S. Hamlin, Massachusetts.	McAdoo	Wilson.
Oct. 1, 1913	Sept. 30, 1917	Byron R. Newton, New York	McAdoo	Wilson.
Mar. 24, 1914	Jan. 26, 1917	William P. Malburn, Colorado	McAdoo	Wilson.
Aug. 17, 1914	Mar. 15, 1917	Andrew J. Peters, Massachusetts.	McAdoo	Wilson.
Apr. 17, 1917	Aug. 28, 1918	Oscar T. Crosby, Virginia	McAdoo	Wilson.
June 22, 1917	Nov. 20, 1919	Leo S. Rowe, Pennsylvania	McAdoo, Glass	Wilson.
Oct. 5, 1917	Aug. 26, 1921	James H. Moyle, Utah	McAdoo, Glass, Houston, Mellon.	Wilson, Harding.
Oct. 30, 1917	July 5, 1920	Russell C. Leffingwell,[4] New York.	McAdoo, Glass, Houston.	Wilson.
Dec. 15, 1917	Jan. 31, 1919	Thomas B. Love, Texas	McAdoo, Glass	Wilson.
Sept. 4, 1918	June 30, 1920	Albert Rathbone, New York	McAdoo, Glass, Houston.	Wilson.
Mar. 5, 1919	Nov. 15, 1920	Jouett Shouse, Kansas	Glass, Houston	Wilson.
Nov. 21, 1919	June 14, 1920	Norman H. Davis, Tennessee	Glass, Houston	Wilson.
June 15, 1920	Apr. 14, 1921	Nicholas Kelley, New York	Houston, Mellon	Wilson, Harding.
July 6, 1920	June 30, 1921	S. Parker Gilbert, jr., New Jersey.[5]	Houston, Mellon	Wilson, Harding.
Dec. 4, 1920	May 31, 1921	Ewing Laporte, Missouri	Houston, Mellon	Wilson, Harding.
Dec. 4, 1920	Mar. 4, 1921	Angus W. McLean, North Carolina.	Houston	Wilson.

[1] Office established act Mar. 3, 1849; appointed by the Secretary. Act Mar. 3, 1857, made the office presidential.

[4] Act Oct. 6, 1917, provided for two additional Assistant Secretaries for duration of war and six months after.

[5] Became Under Secretary July 1, 1921.

Assistant Secretaries of the Treasury and Presidents and Secretaries under whom they served—Continued

Term of service		Assistants Secretaries [1]	Secretaries	Presidents
From—	To—			
Mar. 16, 1921	Mar. 31, 1925	Eliot Wadsworth, Massachusetts	Mellon	Harding, Coolidge.
May 4, 1921	July 9, 1923	Edward Clifford, Illinois	Mellon	Harding.
Dec. 23, 1921	July 25, 1922	Elmer Dover, Washington	Mellon	Harding.
Mar. 3, 1923	June 13, 1926	McKenzie Moss, Kentucky	Mellon	Harding, Coolidge.
July 9, 1923	Nov. 19, 1923	Garrard B. Winston, Illinois [6]	Mellon	Harding, Coolidge.
July 1, 1924	Nov. 5, 1927	Charles S. Dewey, Illinois	Mellon	Coolidge.
Apr. 1, 1925	July 31, 1927	Lincoln C. Andrews, New York	Mellon	Coolidge.
Dec. 28, 1926	June 25, 1929	Carl T. Schuneman, Minnesota	Mellon	Coolidge, Hoover.
Aug. 1, 1927		Seymour Lowman, New York	Mellon	Coolidge, Hoover.
Nov. 7, 1927	Sept. 1, 1929	Henry Herrick Bond, Massachusetts.	Mellon	Coolidge, Hoover.
June 26, 1929		Ferry K. Heath, Michigan	Mellon	Hoover.
Nov. 21, 1929	Mar. 15, 1931	Walter Ewing Hope, New York	Mellon	Hoover.
Mar. 16, 1931	Feb. 12, 1932	Arthur A. Ballantine, New York	Mellon	Hoover.
Mar. 9, 1932		James H. Douglas, jr., Illinois	Mills	Hoover.

[1] Office established act Mar. 3, 1849; appointed by the Secretary. Act Mar. 3, 1857, made the office presidential.

[6] Became Under Secretary Nov. 20, 1923.

ASSISTANTS TO THE SECRETARY OF THE TREASURY [1] AND PRESIDENTS AND SECRETARIES UNDER WHOM THEY SERVED

Term of service		Assistant to the Secretary	Secretaries	Presidents
From—	To—			
Sept. 11, 1789	May 8, 1792	Tench Coxe, Pennsylvania	Hamilton	Washington.
Mar. 6, 1917	Mar. 4, 1921	George R. Cooksey, District of Columbia	McAdoo, Glass, Houston.	Wilson.

[1] Office established Sept. 2, 1789; abolished act May 8, 1792; reestablished act Mar. 3, 1917. Appointed by the Secretary.

PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF NOVEMBER 15, 1932

OFFICE OF THE SECRETARY

Ogden L. Mills	Secretary of the Treasury.
Arthur A. Ballantine	Under Secretary of the Treasury.
Seymour Lowman	Assistant Secretary of the Treasury.
Ferry K. Heath	Assistant Secretary of the Treasury.
James H. Douglas, jr	Assistant Secretary of the Treasury.
John Kieley	Assistant to the Secretary.
W. N. Thompson	Executive Assistant to the Under Secretary
Charles R. Schoeneman	Assistant to the Under Secretary.
H. R. Sheppard	Assistant to Assistant Secretary.
Francis C. Rose	Assistant to Assistant Secretary.
F. A. Birgfeld	Chief Clerk and Superintendent.
W. R. Stark	Chief, Section of Financial and Economic Research.
A. S. McLeod	Government Actuary.
W. H. Moran	Chief, Secret Service Division.
James E. Harper	Chief, Division of Appointments.
L. C. Spangler	Chief, Division of Supply.
Robert Le Fevre	Superintendent of Supplies, General Supply Committee.
John L. Summers	Disbursing Clerk.

SPECIAL STAFF ASSISTANTS

John J. Hopkins	Special Assistant to the Secretary.
B. H Bartholow	Special Assistant to the Secretary.
Leo C. Martin	Special Assistant to Assistant Secretary.
John G. Harlan	Senior Legal Assistant to the Under Secretary.
Alfred K. Cherry	Junior Legal Assistant to the Under Secretary.
Elden McFarland	Junior Legal Assistant to the Under Secretary.

BOARD OF ARCHITECTURAL CONSULTANTS

Edward H. Bennett, Chairman.
Louis Ayres.
Arthur Brown, jr.
William A. Delano.
Clarence C. Zantzinger.
Louis A. Simon.
John Russell Pope.

PUBLIC DEBT SERVICE

William S. Broughton	Commissioner of the Public Debt.
S. R. Jacobs	Assistant Commissioner of the Public Debt
Rene W. Barr	Deputy Commissioner of the Public Deht.
E. E. Jones	Register of the Treasury.
Frank A. DeGroot	Assistant Register of the Treasury.
Marvin Wesley	Chief, Division of Loans and Currency.
Melvin R. Loafman	Chief, Division of Accounts and Audit.
Maurice A. Emerson	Chief, Division of Paper Custody.

OFFICE OF THE COMMISSIONER OF ACCOUNTS AND DEPOSITS

D. W. Bell	Commissioner of Accounts and Deposits.
Edward F. Bartelt	Assistant Commissioner of Accounts and Deposits.
Andrew M. Smith	Chief, Division of Bookkeeping and Warrants.
Edward D. Batchelder	Chief, Division of Deposits.
William T. Heffelfinger	Chief Examiner, Section of Surety Bonds.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Vacant	Comptroller of the Currency.
F. G. Awalt	Deputy and Acting Comptroller.
Eugene H. Gough	Deputy Comptroller.
J. L. Proctor	Deputy Comptroller.
W. P. Folger	Chief, National Bank Examiners.
J. E. Fouts	Supervising Receiver, Insolvent National Bank Division.
George R. Marble	Chief Clerk.

OFFICE OF THE TREASURER OF THE UNITED STATES

Walter O. Woods	Treasurer of the United States.
George O. Barnes	Assistant Treasurer.
J. C. Wallace	Chief Clerk.

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE

David Burnet	Commissioner of Internal Revenue.
H. F. Mires	Assistant to the Commissioner.
J. C. Wilmer	Deputy Commissioner.
George J. Schoeneman	Deputy Commissioner.
R. M. Estes	Deputy Commissioner.
Pressly R. Baldridge	Special Deputy Commissioner.
A. R. Marrs	Assistant Commissioner.
L. C. Mitchell	Assistant Commissioner.
Clarence M. Charest	General Counsel.

BUREAU OF INDUSTRIAL ALCOHOL

James M. Doran	Commissioner of Industrial Alcohol.
B. R. Rhees	Assistant Commissioner of Industrial Alcohol.
J. J. Britt	Chief Counsel.

BUREAU OF NARCOTICS

Harry J. Anslinger	Commissioner of Narcotics.
Will Sanford Wood	Deputy Commissioner of Narcotics.

BUREAU OF CUSTOMS

Frank X. A. Eble	Commissioner of Customs.
Frank Dow	Assistant Commissioner of Customs.
Vacant	Deputy Commissioner (Administration).
Thomas J. German	Deputy Commissioner (Investigation).
Joseph D. Nevius	General Counsel.

MINT BUREAU

Robert J. Grant	Director of the Mint.
Mary M. O'Reilly	Assistant Director.

FEDERAL FARM LOAN BUREAU

Paul Bestor	Farm Loan Commissioner.
John H. Guill	Member.
Louis J. Pettijohn	Member.
A. C. Williams	Member.
Vulosko Vaiden	Member.
James B. Madison	Member.
F. D. Van Sant	Secretary.
Peyton R. Evans	General Counsel.
V. R. McHale	Chief, Division of Examination.

BUREAU OF ENGRAVING AND PRINTING

Alvin W. Hall	Director of the Bureau of Engraving and Printing.
Clark R. Long	Assistant Director (Administration).
Jesse E. Swigart	Assistant Director (Production).

PUBLIC HEALTH SERVICE

Hugh S. Cumming	Surgeon General.
Taliaferro Clark	Assistant Surgeon General.
C. C. Pierce	Assistant Surgeon General.
L. R. Thompson	Assistant Surgeon General.
F. C. Smith	Assistant Surgeon General.
C. E. Waller	Assistant Surgeon General.
Francis A. Carmelia	Assistant Surgeon General.
Ralph C. Williams	Assistant Surgeon General.
Walter L. Treadway	Assistant Surgeon General.
D. S. Masterson	Chief Clerk.

UNITED STATES COAST GUARD

Rear Admiral H. G. Hamlet	Commandant.
Capt. Leon C. Covell	Assistant Commandant.
Commander Russell R. Waesche	Aide to Commandant.
A. T. Thorson	Chief Clerk and Chief, Division of Finance.
Oliver M. Maxam	Chief, Division of Operations.

OFFICE OF THE SUPERVISING ARCHITECT

James A. Wetmore	Acting Supervising Architect.
Henry G. Sherwood	Executive Officer.
George O. Von Nerta	Technical Officer.

STANDING DEPARTMENTAL COMMITTEES

BUDGET AND IMPROVEMENT COMMITTEE

S. R. Jacobs, Chairman.
F. A. Birgfeld, Vice Chairman.
W. N. Thompson.
D. S. Bliss.
L. C. Martin.
Edward F. Bartelt.
J. H. Schaefer.
Arthur E. Wilson.
M. E. Slindee.
F. J. Lawton.
E. C. Nussear, Secretary

COMMITTEE ON ENROLLMENT AND DISBARMENT OF ATTORNEYS AND AGENTS

S. R. Jacobs, Chairman.
James B. Corridon, Vice Chairman.
H. C. Armstrong.
P. R. Baldridge.
O. V. Emery.
James E. Harper.
Lawrence Becker, Attorney.
Lee Brock, Secretary.

COMMITTEE ON PERSONNEL

F. A. Birgfeld, Chairman.
James E. Harper.
S. R. Jacobs.

COMMITTEE ON CIVIL SERVICE RETIREMENT

F. A. Birgfeld, Chairman.
James E. Harper.
W. N. Thompson.
Frank Dow.

COMMITTEE ON SIMPLIFIED OFFICE PROCEDURE

F. A. Birgfeld, Chairman.
W. T. Sherwood.
J. L. Nuber.
A. W. Starratt.

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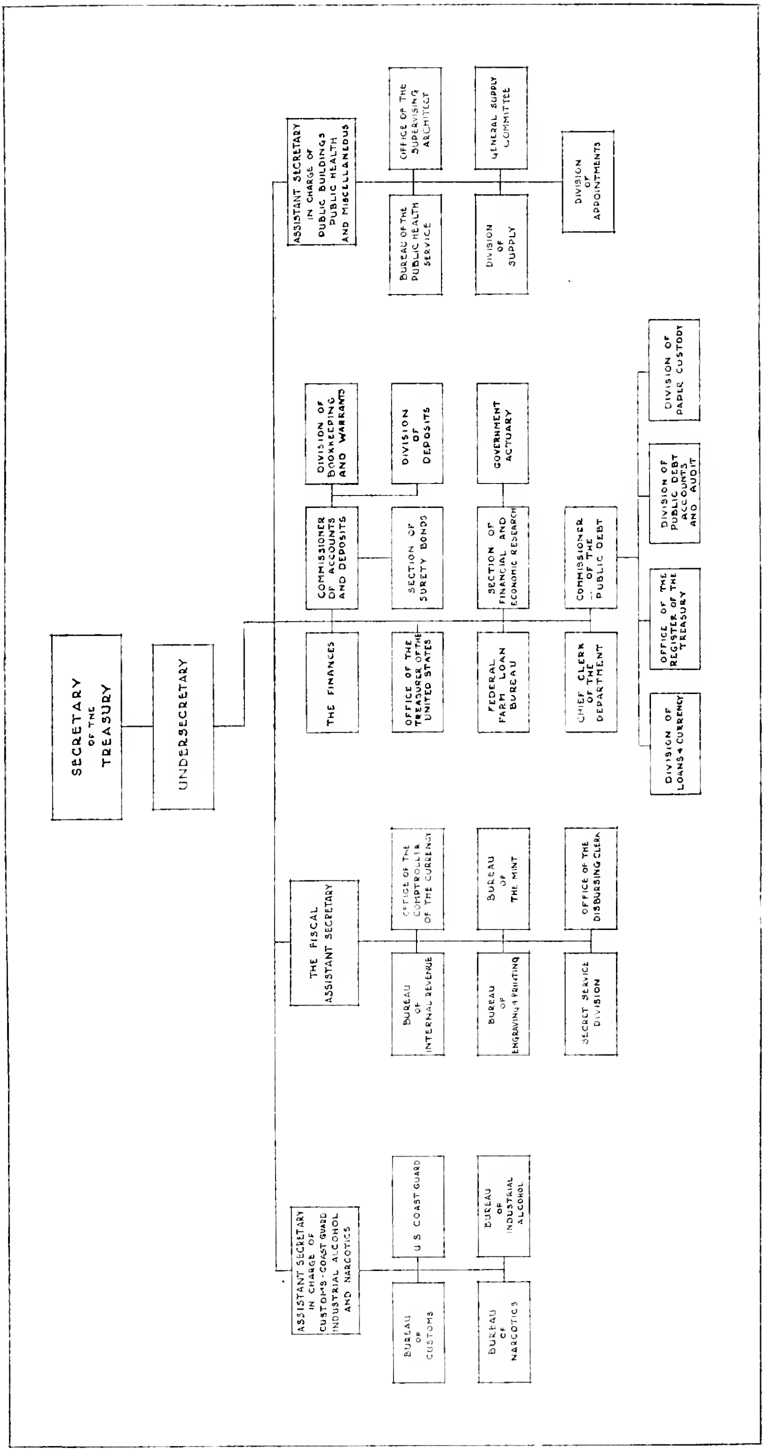

CHART 1.—Organization of the Treasury Department, November 15, 1932

ANNUAL REPORT ON THE FINANCES

Treasury Department,
Washington, D. C., November 19, 1932.

Sir: I have the honor to make the following report:

During the fiscal year ended June 30, 1932, the Federal finances reflected in a most marked degree the effect of the further development of the depression upon both the revenues and expenditures of the Government. Further decline in receipts, accompanied by increases in expenditures due chiefly to emergency measures, resulted in a deficit of $2,885,362,299 for the year, compared with a deficit of $902,716,845 for 1931. Expenditures on account of sinking fund and other debt retirements chargeable against ordinary receipts totaled $412,629,750, and the deficit exclusive of this amount was $2,472,732,549. The latter figure, together with payments in the amount of $267,735,208 against credits established for the Reconstruction Finance Corporation through the purchase of its notes, which are required by law to be treated as public debt transactions, accounts for an increase during the year of $2,685,720,952 in the gross outstanding public debt and a decrease of $54,746,805 in the Treasury General Fund balance.

Total ordinary receipts at $2,121,228,006 were $1,196,005,488 smaller than in 1931 and about half as large as receipts for 1930. The drastic decline in receipts reflected the effect of reduced incomes on income tax collections, of continued decline in industry and trade on other sources of revenue, and of the suspension of payments on intergovernmental debts. Expenditures chargeable against ordinary receipts aggregated $5,006,590,305, and were $786,639,966 larger than for the previous year. The increase was due chiefly to expanded governmental construction activities, increase in the postal deficiency, and payments for capital stock of the Reconstruction Finance Corporation and the Federal land banks.

It is particularly desirable under existing conditions to consider the Federal finances in the light of economic developments prior to and during the fiscal year.

REVIEW OF ECONOMIC CONDITIONS

The past three fiscal years have witnessed a world-wide depression of unprecedented severity and duration. In this country decline in business commenced in the summer of 1929. Slight recovery in the

spring of 1930 gave place to further decline; recovery upon a considerable scale in the spring of 1931 was checked by critical developments abroad and was succeeded by intensified business contraction.

By the end of the calendar year 1930 a depression of major proportions had been experienced. During the preceding year and a half the physical volume of industrial production,[1] as shown in Chart 2, had declined by about 33 per cent from the peak reached in the summer of 1929. During the same period construction, as reflected by the value of building contracts awarded,[1] showed a decrease of about 42 per cent, factory employment [1] a decrease of about 22 per

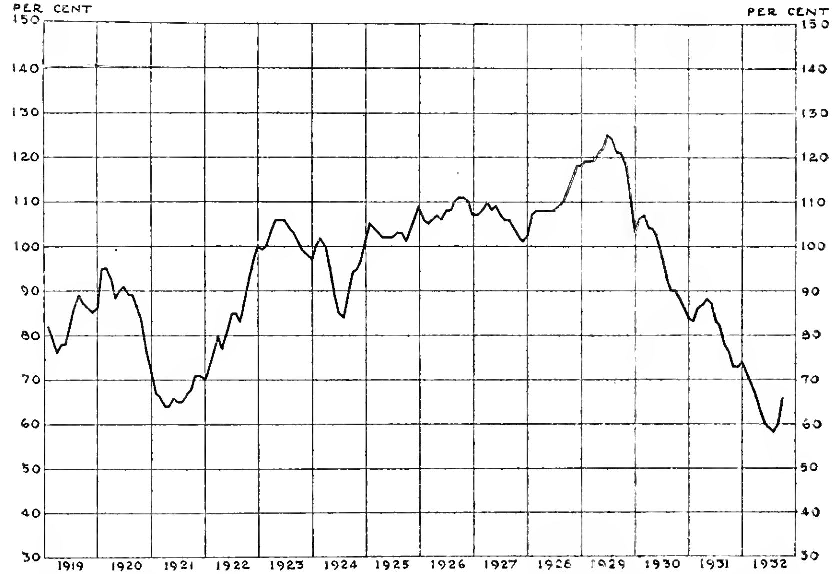

Chart 2.—Federal Reserve Board index of industrial production (adjusted for seasonal variation; 1923-1925=100), calendar years 1919 to 1932

cent, and the volume of freight car loadings [1] and of department store sales [1] decreases of 22 and 17 per cent, respectively. Wholesale commodity prices [2] had declined by nearly 18 per cent, and since the autumn of 1929 the prices of common stocks [3] had declined by more than 50 per cent.

From January through April, 1931, the physical volume of industrial production increased more than seasonally, and in some lines of industry the increase was sustained beyond that time. Easy conditions prevailed in the money market, and short-term money rates in the open market were at low levels.

[1] Comparison based on Federal Reserve Board index, adjusted for seasonal variation.
[2] Comparison based on Bureau of Labor Statistics index.
[3] Comparison based on Standard Statistics Co. index for 421 issues.

This improvement, however, was sharply arrested as financial crises developed abroad in the summer and autumn of the year, and throughout the fiscal year 1932 there were further marked declines in business activity.

World-wide depression had borne heavily on the economic condition of many foreign countries and had given rise to major financial difficulties which became acute at the end of May, 1931, when the insolvency of the largest bank in Austria became known. An already serious and increasing apprehension regarding the economic and budgetary condition of Germany was accentuated by the Austrian crisis, and in June the withdrawal of funds from Germany assumed large proportions. Between the end of May and June 23 gold and foreign exchange holdings of the Reichsbank were reduced close to the minimum required by law. After the arrangement of a suspension of payments on intergovernmental debts during the fiscal year 1932, at the suggestion of President Hoover, conditions improved temporarily but renewed pressure finally necessitated intervention by the German Government in the banking situation and strict regulation and restriction of German international financial operations.

In July the center of the international crisis shifted to England and between the middle of July and September 19 about $1,000,000,000 of funds were withdrawn from the London market. On September 21, after special credits obtained from abroad had been substantially exhausted, continued withdrawals of funds necessitated the suspension by England of the gold standard act. This action was followed by complete or partial suspension of free gold movements by many other countries.

After the departure of England and other countries from the gold standard, the loss of confidence in foreign balances and the desire to strengthen their gold position caused many central banks and others to withdraw funds from this country, with the consequence that the United States was in turn subjected to an unprecedented drain on its banking reserves. In the six weeks following the suspension of gold payments in England this country's stock of monetary gold was reduced by $730,000,000. This outflow of gold was the largest movement of the metal during a similar period in any country at any time. After a temporary reversal there was a further outward movement of gold, particularly in May and the first half of June, which brought the net loss of gold for the nine months to about $1,100,000,000. Changes in the country's stock of monetary gold are shown in Chart 3.

Domestic confidence was seriously affected by the drain on our gold from abroad, and domestic withdrawals of currency for hoarding

were greatly increased. The double impact upon the banking reserves of the country of the mounting domestic demand for currency and the heavy outward movement of gold led to a period of acute credit contraction, particularly from September, 1931, through the first quarter of 1932. The increased intensity of credit contraction after September, 1931, is indicated by Chart 4, which shows the course of member bank loans and investments from 1919 to 1932. During the nine months from September, 1931, to June, 1932, there was a decline of $5,000,000,000 in the loans and investments of member banks, as

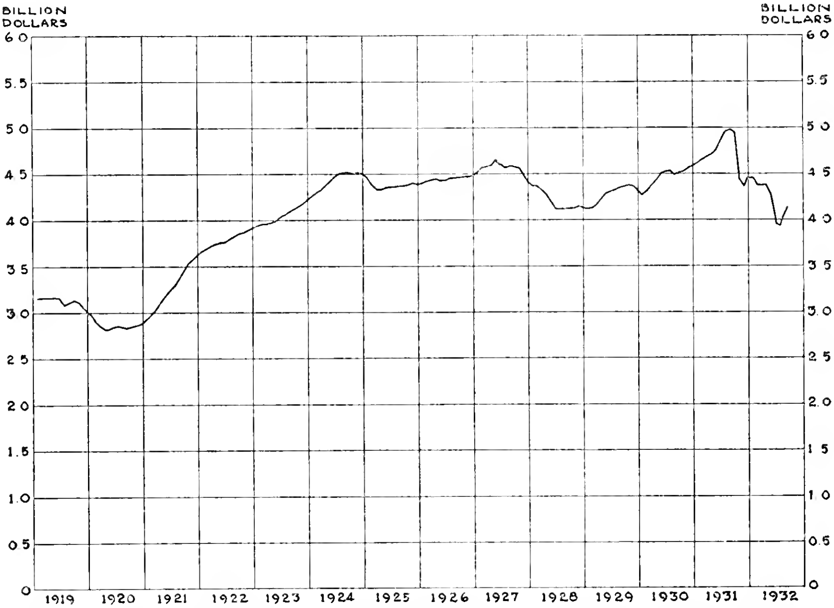

CHART 3.—Monetary gold stock in the United States at the end of each month, January, 1919, to September, 1932

compared with a decline of $3,000,000,000 during the preceding two-year period.

As a result of forces operating both from within and without this country, the number of bank failures increased sharply in September and October of last year, declining in November following the organization of the National Credit Corporation, which provided for mutual support and aid among the banks. Suspensions again increased in subsequent months until the spring of this year, when confidence was strengthened by progress in the development of a program of constructive governmental action.

Acute financial disturbance was accompanied by further marked contraction in production, employment, and prices. Whereas the physical volume of industrial production had declined by less than

10 per cent in the nine months from the end of 1930 through September, 1931, there was a further decline of more than 22 per cent during the subsequent nine months through June, 1932. Similar comparisons for these two nine-month periods show the following declines: 9 and 18 per cent in factory employment, 18 and 25 per cent in total freight car loadings, 11 and 15 per cent in department stores sales, 19 and 54 per cent in the value of building contracts awarded, and 11 and 10 per cent in wholesale commodity prices.

The reconstruction program adopted during the last six months of the fiscal year 1932 included essential budget legislation; the organi-

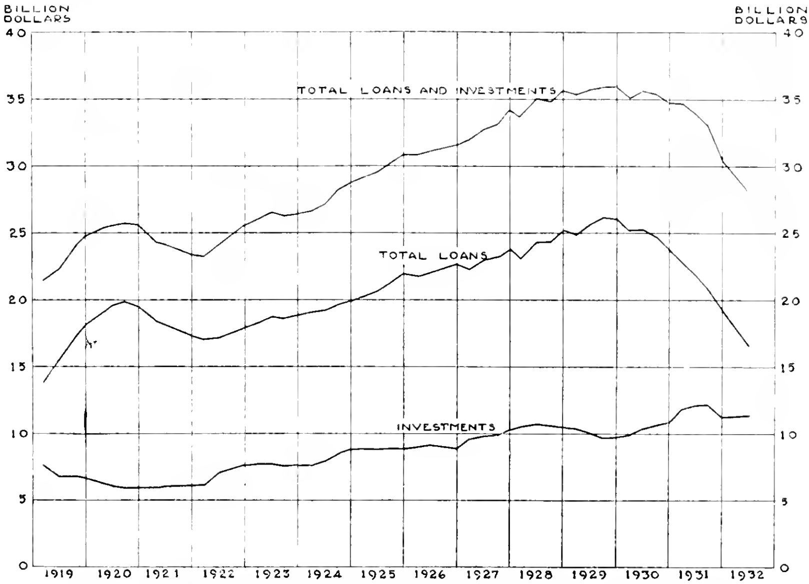

CHART 4.—Loans and investments of all member banks, calendar years 1919 to 1932

zation of the Reconstruction Finance Corporation; the so-called Glass-Steagall Act, which liberalized certain features of the Federal reserve act and rendered the resources of the system more readily available; and other measures.

After the passage of the Glass-Steagall Act, which for a period of one year gave the Federal reserve banks authority to use United States Government securities as collateral for Federal reserve notes, the reserve banks purchased a large volume of United States Government securities in the open market. From the end of February to the end of June, 1932, their holdings of such securities were increased by $1,060,000,000. This increase not only offset heavy gold exports during the period but enabled the member banks to reduce their indebtedness at reserve banks by about $365,000,000. Member bank reserve balances showed an increase of nearly $160,000,000 during the period and excess reserves increased. After the middle of

June gold began to return to this country, and in the subsequent three months the stock of monetary gold showed an increase of about $300,000,000. By the end of October short-term money rates in the open market were below the unusually low levels of the summer of 1931.

The domestic business situation has shown some improvement since last summer. The physical volume of manufacturing and mining output has increased, as is indicated by a rise in the Federal Reserve Board's seasonally adjusted index of industrial production, from a low point of 58 in July to 66 in September. Available information indicates that in October industrial activity was maintained at the September level. Traffic on the railroads increased more than seasonally in the autumn, while changes in building activity have been largely of a seasonal character since early spring.

The improvement in manufacturing output and factory employment has been concentrated largely in the light industries, such as textiles, clothing, shoes, and some of the food products. Production and employment in these industries increased substantially between the early summer and September. In the heavy industries, on the other hand, such as steel, machinery, and automobiles, there was no improvement in August and only slight improvement in September and October.

Farm income is smaller than a year ago by a considerable amount, reflecting lower prices for agricultural products, especially livestock and dairy products, and in addition smaller crops of cotton, winter wheat, and tobacco.

Wholesale prices in the United States, after declining steadily until the middle of June, advanced during the following three months by about 3 per cent, but by the beginning of November had declined to approximately the low level of June. The price of cotton, reacting after the end of August, remained above the lowest levels of the year, but cattle and hogs again sold at the low prices prevailing in early summer, and the price of wheat at Chicago, after recovery in July and August, declined in November to the lowest levels ever recorded. Prices of other commodities in general maintained the advance since midsummer rather better than agricultural products. This is true of certain textiles, some of the metals, particularly lead, tin, and zinc, and certain products imported from abroad, such as silk, sugar, and rubber.

BUDGET RESULTS

Receipts

Total ordinary receipts of the Federal Government during the fiscal year 1932 were $2,121,228,006, as compared with $3,317,233,494 in 1931 and $4,177,941,702 in 1930. The trend in receipts, by major sources, from 1923 to 1932, is shown in Chart 5.

Receipts during the fiscal year 1932 reflected the effect of the intensified depression on all sources of Federal revenue. Total tax receipts of the Federal Government declined from $3,626,300,000 in 1930 to $1,888,700,000 in 1932, a decrease of $1,737,600,000, or 47.9 per cent. About 78 per cent of this decline was due to reduced receipts from the income taxes, which yielded less than one-half as much in 1932 as in 1930.

Comparison of the fiscal years 1931 and 1932.—The receipts derived from each of the major sources of revenue in 1931 and 1932 and the changes in these receipts are shown in detail in the table on page 8.

Receipts from taxation were $919,400,000 less in 1932 than in 1931, while receipts from all other sources declined $276,600,000. Receipts

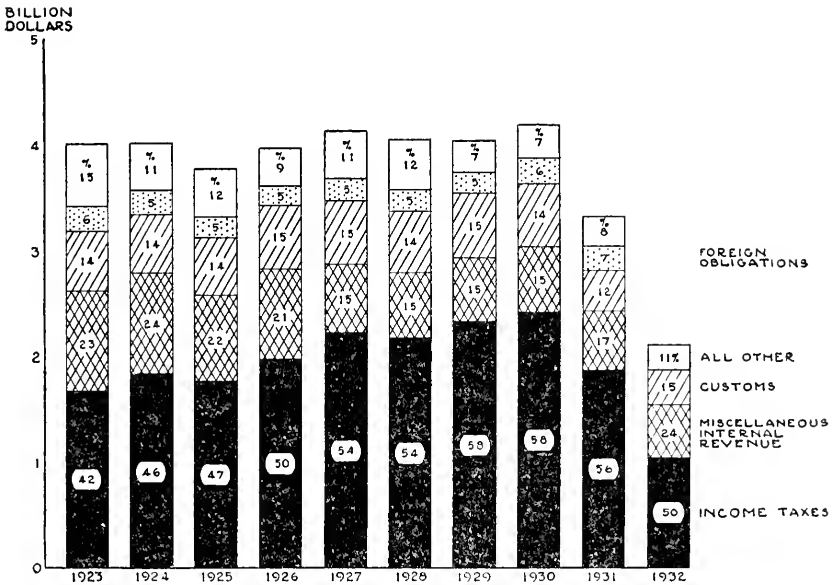

CHART 5.—Principal sources of ordinary receipts for the fiscal years 1923 to 1932 (general, special, and trust funds combined)

from taxation, strictly speaking, represent that portion of Federal revenues which is derived from authorized levies upon the people primarily to secure funds for the conduct of Government activities. Such levies are composed of customs duties, income taxes, and miscellaneous internal revenue taxes. Nontax receipts consist of amounts received by the Government incident to the performance of its various functions. Among these receipts are included the proceeds from Government-owned securities, Panama Canal tolls, fees, fines and penalties, rents and royalties, the immigration head tax, tax on the circulation of national bank notes, seigniorage on coinage of subsidiary silver and minor coins, and receipts from trust funds. The

Ordinary receipts by major sources for the fiscal years 1931 and 1932 [1]

[Dollars in millions]

Source	1931	1932	Increase (+), decrease (−)	Percentage increase (+), decrease (−)
Receipts from taxation:				
Customs	378.3	327.7	−50.6	−13.4
Internal revenue—				
Income taxes—				
Current corporation	891.5	516.9	−374.6	−42.0
Current individual	730.4	351.1	−379.3	−51.9
Back taxes [2]	238.5	189.3	−49.2	−20.6
Total income taxes	1,860.4	1,057.3	−803.1	−43.2
Miscellaneous internal revenue—				
Tax on small cigarettes	358.9	317.5	−41.4	−11.5
All other tobacco taxes	85.4	81.1	−4.3	−5.0
Stamp tax on capital stock transfers	25.5	17.7	−7.8	−30.6
Stamp tax on bonds and capital stock issues, etc.	14.8	9.2	−5.6	−37.8
All other stamp taxes, including playing cards	6.7	5.3	−1.4	−20.9
Estate tax	48.1	47.4	−.7	−1.5
All other internal revenue [2]	30.0	25.5	−4.5	−15.0
Total miscellaneous internal revenue	569.4	503.7	−65.7	−11.5
Total receipts from taxation	2,808.1	1,888.7	−919.4	−32.7
Miscellaneous receipts:				
Proceeds from Government-owned securities—				
Foreign obligations	236.1	(3)	−236.1	−100.0
All other	28.3	22.4	−5.9	−20.8
All other receipts, including trust funds	244.7	210.1	−34.6	−14.1
Total miscellaneous receipts	509.1	232.5	−276.6	−54.3
Total ordinary receipts	3,317.2	2,121.2	−1,196.0	−36.1

[1] On basis of daily Treasury statements (unrevised), supplemented by reports of the Commissioner of Internal Revenue. General, special, and trust funds combined; for description of funds, see p. 338; for classification by funds, see p. 343.
[2] Includes adjustment to basis of daily Treasury statements (unrevised).
[3] Amounts postponed under the suspension agreements aggregated about $252,300,000.

changes in 1932 as compared with 1931 in receipts from specific sources are considered in detail in the following paragraphs.

Income taxes.—Taxes on the income of individuals and corporations ordinarily furnish more than half of the total receipts. In the fiscal year 1932 income taxes amounted to $1,057,300,000, as compared with $1,860,400,000 in 1931, a decline of $803,100,000. The receipts from back taxes decreased from $238,100,000 in 1931 to $188,800,000 in 1932, or about $49,300,000.[1] Back tax collections include payments on additional assessments, penalties, and interest determined as a result of audit and on delinquent returns.

Receipts from current income taxes on corporations were $516,900,000 in the fiscal year 1932 as compared with $891,500,000 in the fiscal year 1931, a decline of $374,600,000.

Comparison of indicated corporation collections in the full calendar year 1932 with collections in 1931 shows a decline of about 44 per cent in underlying taxable incomes. The low level of business activity during the calendar year 1932 will be reflected in income

[1] These figures for back tax collections are before adjustments made in the above table.

tax collections during the calendar year 1933, and will affect receipts during both the fiscal years 1933 and 1934, but will be counteracted to some extent by the higher rates under the revenue act of 1932.

Current income tax collections from individuals declined from $730,400,000 in the fiscal year 1931 to $351,100,000 in the fiscal year 1932, or $379,300,000.

Indicated current collections of individual income taxes during the calendar year 1932 show a decline of 47 per cent from the preceding year. This decline in collections reflects relatively smaller decreases in amounts of reported incomes, the effect of which was accentuated through the operation of progressive tax rates as indicated in the following summary.

Statistics of individual incomes.—As individual incomes increased in years prior to 1930, the additional amounts were subject to progressively higher rates and, as a consequence, the total tax paid increased more rapidly than the income on which the tax was based. Similarly, as incomes have declined during the depression, the tax has declined more rapidly than the income.

The effect of the continued decline in business on incomes for 1930 and 1931 (underlying collections in 1931 and 1932) is indicated by the following table, which shows the number of returns and the tax reported for the calendar years 1928, 1930, and 1931, and the percentages of decrease from 1928 to 1930 and from 1930 to 1931, by major net income classes, as published in the preliminary Statistics of Income for these years. Comparison is made with 1928 rather than 1929 incomes because of the temporary rate reduction affecting taxes on incomes of the latter year.

Comparison of number of returns and income tax for the calendar years 1928, 1930, and 1931, individual returns of net income of $5,000 and over [1]

Net income classes	Number of returns			Percentage decrease	
	1928	1930	1931	1928–1930	1930–1931
$5,000–$10,000	561,114	505,715	385,837	9.9	23.7
10,000–100,000	359,576	251,490	167,141	30.1	33.5
100,000 and over	15,780	6,152	3,142	61.0	48.9
Total	936,470	763,357	556,120	18.5	27.1

Net income classes	Income tax (thousand dollars)			Percentage decrease	
	1928	1930	1931	1928–1930	1930–1931
$5,000–$10,000	21,344	16,590	11,693	22.3	29.5
10,000–100,000	409,058	208,134	114,344	49.1	45.1
100,000 and over	700,341	237,716	107,896	66.1	54.6
Total	1,130,743	462,440	233,933	59.1	49.4

[1] Preliminary Statistics of Income; returns filed to Aug. 31, 1929, 1931, and 1932, respectively. For sake of comparability with available figures for 1931, preliminary rather than final figures are used for 1928 and 1930.

As shown by the table, a decline of 18.5 per cent in the number of these returns for 1930 as compared with 1928 was accompanied by a decrease in taxes reported of 59.1 per cent; a further decline for 1931 as compared with 1930 of 27.1 per cent in the number of returns was accompanied by a decrease in taxes of 49.4 per cent. Taxes for 1931, aggregating $233,900,000, were thus only about one-fifth of the total of $1,130,700,000 for 1928. Two-thirds of the decline of about $896,800,000 in individual income taxes which took place from 1928 to 1931 occurred in the net income classes of $100,000 and over, due to the shift in taxable incomes from the high income group to lower income groups. In 1930 the shift in taxable incomes resulted principally from the decline in profits from the sale of real estate, stocks, bonds, etc., while in 1931 it reflected decreased income from all sources, particularly from dividends.

The returns showing net income of $100,000 and over declined in number from about 16,000 in 1928 to approximately 6,000 in 1930, and to about 3,000 in 1931.

The following table shows the principal sources of income in returns of net income of $5,000 and over for 1928, 1930, and 1931, and the decreases from 1928 to 1930 and from 1930 to 1931.

Income and deductions by major sources for the calendar years 1928, 1930, and 1931, individual returns of net income of $5,000 and over [1]

[In millions of dollars]

Source of income	1928	1930	1931	Increase (+), decrease (−)	
				1928–1930	1930–1931
Net income [2]	16, 299	10, 119	6, 489	−6, 180	−3, 630
Income from sales of real estate, stocks, etc.:					
Profits—					
Reported for tax on sale of capital assets held more than 2 years	1, 843	550	166	−1, 293	−384
All other	2, 649	520	189	−2, 129	−331
Total	4, 492	1, 070	355	−3, 422	−715
Losses—					
Reported for tax credit on sale of capital assets held more than 2 years	40	80	191	+40	+111
All other	[3] 130	898	798	+768	−100
Total	170	978	989	+808	+11
Net profits over losses	4, 322	92	−634	−4, 230	−726
Income from other sources:					
Salaries, commissions, etc	4, 700	4, 159	3, 154	−541	−1, 005
Dividends	3, 922	3, 622	2, 514	−300	−1, 108
Business and partnership	3, 291	1, 974	1, 236	−1, 317	−738
All other	2, 375	1, 960	1, 437	−415	−523
Total	14, 288	11, 715	8, 341	−2, 573	−3, 374
Deductions not elsewhere classified	2, 311	1, 688	1, 218	−623	−470

[1] Preliminary Statistics of Income; returns filed to Aug. 31, 1929, 1931, and 1932, respectively. For the sake of comparability with available figures for 1931, preliminary rather than final figures are used for 1928 and 1930.
[2] Net income including the excess of capital net gains over capital net losses.
[3] 1928 Statistics of Income, final figure. Data for this item not included in preliminary report.

In 1930 the major portion of the decline resulted from the sharp reduction in income from a single source—the net amount from sales of securities, real estate, etc., which decreased by about $4,230,000,000 from 1928. Profits reported from such sales in 1930 were largely offset by reported losses. In 1931 a further decline occurred in the net amount from this source and reported losses exceeded profits by about $634,000,000.

Other forms of individual income which in 1930 showed considerable stability declined greatly in 1931. Salaries, commissions, etc., decreased $541,000,000 in 1930 as compared with 1928 and showed a further decline of $1,005,000,000 in 1931; while dividends, for which the decrease from 1928 to 1930 was $300,000,000, declined

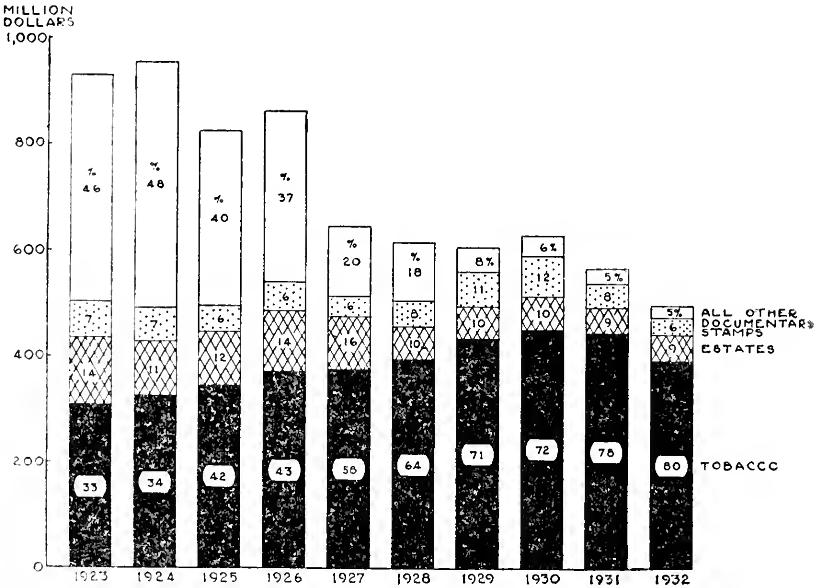

CHART 6.—Principal sources of miscellaneous internal revenue collections for the fiscal years 1923 to 1932

$1,108,000,000 from 1930 to 1931. The marked reduction in dividends for 1931 is directly related to the sharply reduced tax yield in that year because dividends are the major source of income for the higher income groups.

Miscellaneous internal revenue.—Receipts from miscellaneous internal revenue taxes were $503,700,000 in the fiscal year 1932 as compared with $569,400,000 in 1931, a decline of $65,700,000. The changes by major sources are presented graphically in Chart 6. Most of these taxes, with the exception of the estate tax, are based on current operations of business and therefore promptly reflect any changes in the sources to which they relate. Over 90 per cent of miscellaneous internal revenue comes from three sources—tobacco

taxes, documentary stamp taxes, and the estate tax. Receipts from these taxes declined $61,200,000 in 1932, almost three-fourths of which was due to a falling off in receipts from tobacco taxes. The remaining sources of internal revenue, which include taxes on distilled spirits, admissions, dues, oleomargarine, and narcotics, showed a decline of $4,500,000.[1] Despite reduced collections, tobacco taxes continue one of the most satisfactory revenue producers, total collections from this source having declined less during the depression than collections from any other major source.

Revenue from documentary stamps was $32,200,000 in the fiscal year 1932, as compared with $47,000,000 in the fiscal year 1931, a decline of $14,800,000, reflecting the low level of activity in the security markets. The major part of these receipts in recent years has been derived from capital stock transfers and capital issues. Collections from these types of documentary stamps declined $7,800,000 and $5,600,000, respectively, from the fiscal year 1931 to 1932.

Customs.—Customs receipts declined from $378,300,000 in the fiscal year 1931 to $327,700,000 in the fiscal year 1932, or $50,600,000. The decline was marked throughout the latter part of the fiscal year. The first four months of the fiscal year showed signs of some stability in customs receipts as compared not only with the immediately preceding months but also with the corresponding months of the preceding year. Collections for the four months July to October, 1931, inclusive, averaged about $35,800,000, as compared with average collections of $30,000,000 for the four months immediately preceding and with average collections of $33,600,000 for the four months July to October, 1930. The decline which took place during the early winter corresponded largely to past seasonal changes for that period of the year. During the early spring months, however, the customary seasonal increase failed to materialize; instead, receipts declined from January to June, reaching the abnormally low total of $17,400,000 in June.

The decline in customs is to be accounted for by a further reduction in both volume and value of imports. The value of dutiable imports for consumption declined about 23 per cent and the value of imports free of duty 30 per cent in the fiscal year 1932 as compared with 1931.

Miscellaneous receipts.—Miscellaneous receipts from nontax items decreased from $509,100,000 in the fiscal year 1931 to $232,500,000 in the fiscal year 1932, or $276,600,000. This decline was due chiefly to the postponement under the House joint resolution approved December 23, 1931, of the payments of principal and interest due from foreign governments during the fiscal year 1932 in the amount

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[1] Includes adjustment between receipts on basis of reports of collectors and of daily Treasury statements (unrevised).

of about $252,000,000. The decline in other miscellaneous receipts was distributed over a wide variety of small items for the most part indicating the effect of the depression on receipts from the incidental activities of the Government.

Collections under the revenue act of 1932.—The revenue act of 1932, to provide additional revenue to meet the emergency situation, was approved June 6, 1932. Collections during the fiscal year 1932 were affected only by the sales of tax stamps at new rates between June 21 and June 30, 1932; these included documentary stamps and a negligible amount of special tax stamps on the use of certain boats or yachts. In the case of the other increased and new miscellaneous internal revenue taxes, the taxpayer is for the most part required to pay his taxes on each month's business on or before the last day of the succeeding month and therefore taxes due for the period June 21 to 30 were not payable until on or before July 31, or after the close of the fiscal year.

1932 estimates and results.—The total receipts of the Federal Government for the fiscal year 1932 were $238,000,000, or about 10 per cent, less than the Treasury estimated in the fall of 1931. Income tax receipts fell $83,000,000 short of the estimates; receipts from back taxes on incomes being about $31,000,000 less than estimated, and current income taxes being some $52,000,000 under the estimates. This discrepancy is due chiefly to the difficulty of measuring the effect of the continued depression on the distribution of individual incomes between the various income tax brackets. Miscellaneous internal revenue receipts and customs receipts were $40,000,000 and $82,000,000 less, respectively, than estimated, and miscellaneous receipts were $33,000,000 less. At the time the estimates were made, uncertainties in business and credit conditions made the task of forecasting tax receipts exceedingly difficult. The Treasury believed, however, that early passage of essential budgetary legislation and the enactment of other constructive measures then contemplated would result in early improvement in business and financial conditions, with some consequent improvement in the latter part of the fiscal year 1932 for such sources of Federal revenue as respond promptly to current business conditions, and with better prospects generally for the following fiscal year. Not only did this improvement fail to materialize, but business declined steadily to lower levels during the last half of the fiscal year.

Expenditures

Federal expenditures for the fiscal year 1932 reached a new high level for the postwar period due primarily to the effect of the depression on Government activities. Total expenditures chargeable against ordinary receipts amounted to $5,006,590,305 for the fiscal

year 1932, as compared with $4,219,950,339 for 1931, and $3,848,463,190 for 1929. Expenditures for 1932 were thus $786,639,966, or 19 per cent, larger than for 1931, and $1,158,127,115, or 30 per cent, larger than for 1929. The trend in expenditures by principal classes for the fiscal years 1923 to 1932 is shown in Chart 7.

Comparison of the fiscal years 1929 and 1932.—The general character of expenditures for 1932 as compared with 1929, the last year for which expenditures were unaffected by the depression, is shown in

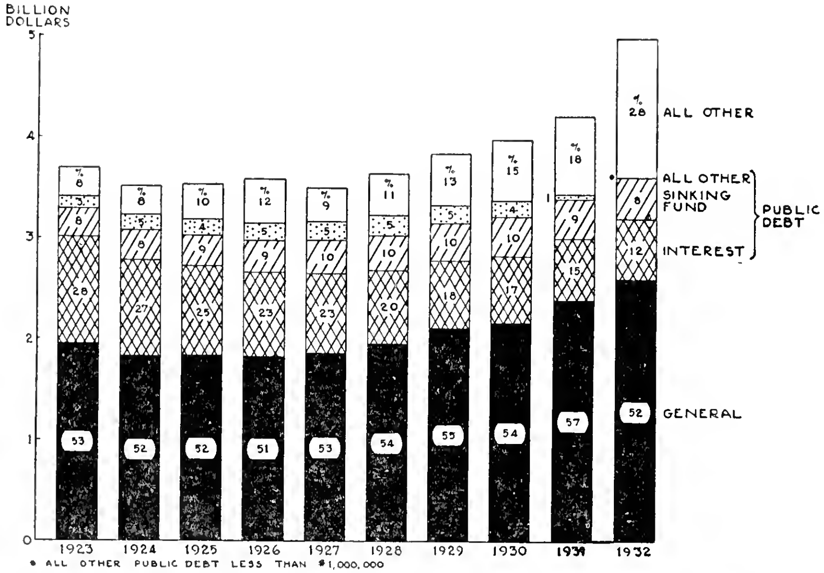

CHART 7.—Principal classes of expenditure chargeable against ordinary receipts for the fiscal years 1923 to 1932 (general, special, and trust funds combined)

the table on page 16, and in Chart 8, in which expenditures are classified by certain major functions.

While total Federal expenditures increased $1,158,000,000 from 1929 to 1932, the expenditures for major activities undertaken or accelerated to afford relief from the depression and for the postal deficiency showed a combined increase of $1,189,000,000. The remaining Federal expenditures declined slightly, from $3,555,000,000 for 1929 to $3,524,000,000 for 1932.

In the major expenditures largely attributable to the depression are included expenditures of $500,000,000 for the capital stock of the Reconstruction Finance Corporation, $125,000,000 for additional capital stock of Federal land banks, $136,000,000 for net loans under the agricultural marketing act, an increase of about $306,000,000 in expenditures for public works, and an increase of $117,000,000 for the postal deficiency after deducting about $52,000,000 from the postal deficit for 1929 for payment of so-called back railway mail pay

to inland carriers under authority of the joint resolution approved June 6, 1929.

Service of the public debt including sinking fund and other debt retirements accounted for $1,012,000,000 of the expenditures for 1932, a reduction of about $216,000,000 from 1929. This decrease resulted from reduced payments for interest, reflecting lower rates on Government issues, and from decreased retirements from repayments

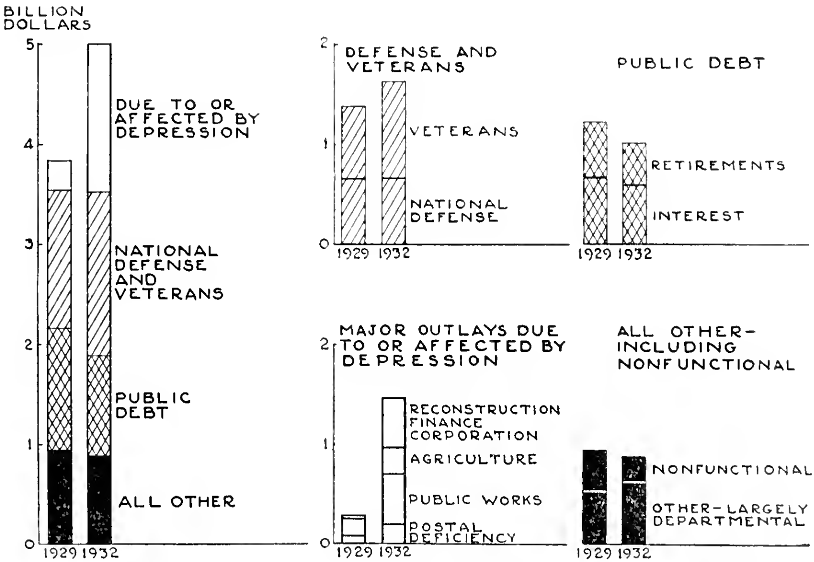

CHART 8.—Comparison of expenditures for the fiscal years 1929 and 1932

of principal from foreign governments owing to the suspension of foreign debt payments due in the fiscal year 1932.

Another major class of governmental outlay is for national defense and the care of war veterans. Expenditures under this category totaled about $1,631,000,000 for 1932, or about $233,000,000 more than for 1929. All of the increase was in the expenditures for veterans due to increased appropriations for hospitalization and domiciliary care of veterans, for the adjusted service certificate fund in connection with the financing of increased loans on adjusted service certificates under authority of the act of February 27, 1931, and for liberalized provision for military and naval compensation and insurance for veterans of former wars.

Expenditures chargeable against ordinary receipts, by certain major functions, for the fiscal years 1929 and 1932 [1]

[In millions of dollars]

Class of expenditure	1929		1932		Increase (+) or decrease (−)	
Major expenditures due to or affected by the depression:						
Capital stock, Reconstruction Finance Corporation	------		500		+500	
Special aids to agriculture—						
Agricultural marketing fund (net)	------		136		+136	
Capital stock, Federal land banks	------		125		+125	
Loans and credits to farmers	6		11		+5	
Public works [2]	201		507		+306	
Postal deficiency	[3] 86		203		+117	
Total major expenditures due to or affected by the depression		293		1,482		+1,189
Expenditures exclusive of major items due to or affected by the depression:						
Public debt—						
Interest	678		599		−79	
Retirements	550		413		−137	
Total public debt		1,228		1,012		−216
National defense and veterans [4]—						
National defense	660		658		−2	
Veterans	738		973		+235	
Total national defense and veterans		1,398		1,631		+233
All other, including nonfunctional—						
Major nonfunctional—						
Trust funds	129		121		−8	
Refunds of tax receipts	213		101		−112	
Purchases of securities [5]	23		2		−21	
Back railway mail pay	52		------		−52	
Settlement of war claims act	------		38		+38	
Total	417		262		−155	
Other expenditures, largely departmental—						
Shipping Board	16		52		+36	
Departmental, etc., not elsewhere classified	496		567		+71	
Total	512		619		+107	
Total all other, including nonfunctional		929		881		−48
Total expenditures, exclusive of major items due to or affected by the depression		3,555		3,524		−31
Total expenditures chargeable against ordinary receipts		3,848		5,006		+1,158

[1] On basis of daily Treasury statements (unrevised), supplemented by certain details on checks-issued basis and public works on basis of Bureau of Budget compilation.

[2] Excluding expenditures of District of Columbia government and for maintenance of rivers and harbors.

[3] Excluding so-called back railway mail pay to inland carriers under authority of joint resolution approved June 6, 1929.

[4] Excluding expenditures under these headings for public works.

[5] Including payment of Cape Cod Canal bonds and purchase of foreign obligations for 1929 and of capital stock of Federal intermediate credit banks for both 1929 and 1932.

The balance of the Federal expenditures aggregated about $881,000,000 in 1932 as compared with $929,000,000 in 1929, a decrease of $48,000,000. Certain expenditures included in this total do not represent Government activities and may be classified as nonfunctional. Thus expenditures for trust fund accounts represent moneys payable to or for the use of beneficiaries of the trust and are not classified as general expenditures of the Government. These include such items as expenditures on account of the Government life insurance fund, trust funds for the benefit of the Indian tribes in connection with the sale of Indian lands, and expenditures of the District

of Columbia government from taxes levied in the District. Refunds of receipts include repayments of taxes erroneously collected. Other expenditures under this general classification include, for both years, the purchase of certain obligations by the Government; for 1929 payments of so-called back railway mail pay and for 1932 the payments authorized under the settlement of war claims act of 1928. The total of the major nonfunctional items was $417,000,000 in 1929 and $262,000,000 in 1932, a decrease of about $155,000,000.

Other expenditures, largely for departmental activities, were $619,000,000 for 1932, an increase of $107,000,000 over 1929. Expenditures for the Shipping Board, which include construction loans for the development of merchant marine, were responsible for $36,000,000 of this increase, while expenditures for departments and other accounts not elsewhere classified were about $71,000,000 larger for 1932 than for 1929. The latter class of expenditure aggregated about $567,000,000 for 1932, or about 16.1 per cent of total Federal expenditures exclusive of the major items due to or affected by the depression. The activities which were supported by this $567,000,000 of expenditures include the legislative and judicial branches of the Government, the fiscal administration and control of banking and currency, foreign relations, civil pensions and allowances, and other governmental activities in connection with conservation of natural resources, education, promotion of public health, Indian affairs, aids to agriculture, labor, aviation, and industry.

Comparison of the fiscal years 1931 and 1932.—As already indicated, total expenditures chargeable against ordinary receipts for the fiscal year 1932, at $5,006,590,305, were $786,639,966 larger than in 1931. Expenditures for 1931 and 1932, classified largely on the basis of governmental organizations, are compared in the table on page 18.

The increase for 1932 in expenditures, exclusive of public debt charges, was due chiefly to increased outlays of an emergency character, including $500,000,000 for the capital stock of the Reconstruction Finance Corporation and $125,000,000 for additional capital stock of the Federal land banks, as already brought out in the comparison of expenditures for 1929 and 1932.

General expenditures, classified by departments, show an increase of $210,900,000 in 1932 and also reflect expenditures due to the depression. The principal items of increase were as follows: $83,200,000 for the Treasury Department, representing payments on account of the building program and awards of the War Claims Arbiter under the settlement of war claims act of 1928; $22,100,000 for the Department of Agriculture, reflecting additional outlays for Federal aid highway construction and relief loans; and $19,900,000 for the Interior Department, principally on account of the Boulder Dam project. Expenditures for the Veterans' Administration showed

an increase of $78,600,000 as the result largely of liberalized provisions for military and naval compensation and insurance of war veterans. Smaller increases in expenditures were shown as follows: $3,300,000 for the Legislative establishment; $3,600,000, State Department; $8,000,000, Department of Justice; $2,500,000, Department of Labor; and $4,500,000, other independent offices and commissions. Decreases were shown in expenditures for the War Department of $10,200,000, and for the Commerce Department of $8,800,000, the latter due to the fact that the decennial census was practically completed in 1931.

Expenditures chargeable against ordinary receipts, by major groups, for the fiscal years 1931 and 1932

[On basis of daily Treasury statements (unrevised), see p. 337; general, special, and trust funds combined: for description of funds, see p. 338; for classification by funds, see p. 350]

[In millions of dollars]

Class of expenditure	1931	1932	Increase (+) or decrease (−)
General expenditures:			
Legislative establishment	24.0	27.3	+3.3
Executive Office	.5	.4	−.1
State Department	15.7	19.3	+3.6
Treasury Department	204.6	287.8	+83.2
War Department	478.4	468.2	−10.2
Department of Justice	44.3	52.3	+8.0
Post Office Department	.1	.1	
Navy Department	354.1	357.8	+3.7
Interior Department	71.5	91.4	+19.9
Department of Agriculture	296.9	319.0	+22.1
Department of Commerce	61.5	52.7	−8.8
Department of Labor	12.2	14.7	+2.5
Veterans' Administration	729.2	807.8	+78.6
Other independent offices and commissions [1]	49.7	54.2	+4.5
District of Columbia	47.8	48.4	+.6
Total general expenditures	2,390.5	2,601.4	+210.9
Refunds of receipts	91.3	101.1	+9.8
Postal deficiency	145.6	202.9	+57.3
Agricultural marketing fund (net)	190.5	136.2	−54.3
Reconstruction Finance Corporation		500.0	+500.0
Subscription to stock of Federal land banks		125.0	+125.0
Adjusted service certificate fund	224.2	194.0	−30.2
All other, including trust funds	126.2	134.1	+7.9
Total expenditures, excluding public debt	3,168.3	3,994.7	+826.4
Public debt chargeable against ordinary receipts:			
Interest	611.6	599.3	−12.3
Retirements	440.1	412.6	−27.5
Total public debt expenditures chargeable against ordinary receipts	1,051.7	1,011.9	−39.8
Total expenditures chargeable against ordinary receipts	4,220.0	5,006.6	+786.6

[1] Includes adjustment of unclassified items.

The deficit

In the fall of 1931 the Treasury estimated that the deficit for the fiscal year 1932 would be about $2,123,000,000. The actual deficit, at $2,885,362,299, exceeded this estimate by $763,000,000. Expenditures were $525,000,000 larger than estimated, as a result of subsequent authorizations by Congress for the purchase of capital

stock of the Reconstruction Finance Corporation and the Federal land banks. Receipts were about $238,000,000 less than estimated.

REVENUE ACT OF 1932

In his annual report to the Congress for the fiscal year 1931 the Secretary of the Treasury recommended "a vigorous and continued effort to reduce expenditures," and increased taxation with a view to bringing into balance current receipts and current expenditures, exclusive of the sinking fund and other statutory debt retirements.

The Treasury's revenue program was based in the main upon a return in principle to the general plan of taxation existing under the revenue act of 1924.[1] The increased income taxes recommended were to be made effective on incomes for the calendar year 1931 so as to yield additional revenue in the last half of the fiscal year 1932 and during the whole of the fiscal year 1933. The Treasury's program also included revision of the postal rates to meet a greatly increased postal deficit.

The President's Budget message, submitted at the same time, recommended a reduction of approximately $370,000,000 in expenditures.

In view of the very unusual situation, the Secretary of the Treasury stated on January 13, 1932, on his first appearance before the Ways and Means Committee, that at a later date he desired to submit revised estimates of revenue. These were submitted to the Ways and Means Committee in February. At that time it was estimated that additional taxes, over and above those recommended earlier in the year, would be necessary and that there must be a further reduction in expenditures. Supplemental recommendations were made by the Treasury accordingly.[1]

Early in March the Ways and Means Committee reported to the House of Representatives a revenue bill, the principal features of which were increased income taxes, first applicable, however, to 1932 rather than to 1931 incomes; an increased estate tax; a gift tax; and a general manufacturers' excise tax based on the Canadian model. The Secretary of the Treasury at once indorsed this bill and gave it his full support. It was not accepted by the House of Representatives, however, and in lieu of the general manufacturers' excise tax, the House adopted a series of special manufacturers' excise taxes.

The Senate did not dispose of the revenue bill until early in June. In the meanwhile business conditions had grown steadily worse and it was apparent that the estimates made by the Treasury Department of what might be expected in the way of revenue during the fiscal year 1933 could not be realized.

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[1] Exhibits containing the Treasury's original and subsequent proposals appear on pages 270 to 271 and 274 to 275 of this report.

On May 31 the Secretary of the Treasury appeared before the Senate Finance Committee and stated that it would be necessary that the bill provide for $1,125,000,000 of additional revenue. This was the same amount recommended to the Ways and Means Committee in February, though it had become clear that the measures then recommended would not produce this amount of additional revenue. He also stated that in addition it would be necessary to provide by legislation for further reduction of expenditures by not less than $350,000,000 below the Budget estimates of December.

The statement reads in part as follows:

> The Treasury recommended in February $1,125,000,000 in new taxes. That is the amount needed to-day.
>
> The bill now before the Senate, even with the Finance Committee items still to be voted on, will bring in but $840,000,000, as compared with the $965,000,000 estimated under the old figures. Thus there is a shortage of revenue between the amount originally estimated by the Treasury as necessary and the yield of the bill as it now stands of $285,000,000. * * *
>
> In other words, assuming that the expenditure figures are reduced below those submitted in the Budget Message by not less than $350,000,000, $285,000,000 of additional revenue is needed to-day to balance the Budget. In order to bridge this gap, I unqualifiedly recommend turning to the manufacturers' excise tax along the lines of Senator Walsh's pending amendment. While the Treasury Department has hitherto refrained from recommending this tax, I had occasion to give it close study during its consideration by the Ways and Means Committee and I unhesitatingly indorse it to-day as the most effective means of balancing the budget and giving assurance of yielding the needed revenue.

In December, 1931, the Budget for the fiscal year 1933 was submitted with total expenditures at $3,958,000,000, exclusive of the postal deficit which was intended to be covered by the postal provisions of the revenue act and other postal legislation. The reduction of this total by $350,000,000 would have resulted in expenditures aggregating $3,608,000,000. Expenditures for 1933 are now estimated at $4,135,000,000, excluding the postal deficit. This estimated total, which includes certain items of additional public construction provided for in the emergency relief and construction act, approved July 21, 1932, is thus about $527,000,000 larger than the proposed total of expenditures on which the recommendations of the Treasury on May 31 were based.

Summary of provisions of the act

The revenue act of 1932 provides for the following increased and new taxes:

(1) Increase in the corporation income tax rate from 12 to 13¾ per cent, with an additional tax at three-fourths of 1 per cent on corporate net income for the years 1932 and 1933 reported on consolidated returns, and with no specific credit for corporations with small incomes.

(2) Increase in the normal rates on individual income from 1½, 3, and 5 per cent to 4 and 8 per cent; elimination of tax credit for earned income; reduction in personal exemptions from $3,500 and $1,500 to $2,500 and $1,000 for married persons or heads of families and single individuals, respectively; surtaxes graduated from 1 per cent on net income in excess of $6,000 and not in excess of $10,000, up to 55 per cent on net income in excess of $1,000,000; and other income tax changes, the most important of which limits the deduction of losses from sales or exchanges of stocks and bonds held for a period of two years or less to the amount of gains derived from similar transactions with provision for a one-year carry-over, with certain limitations, of the excess of such losses over such gains for a given year.

(3) An additional tax on estates at graduated rates, with an exemption of $50,000, the additional tax to be paid to the Federal Government without tax credit for payment of State inheritance taxes; and a gift tax at rates graduated up to 33⅓ per cent on net gifts in excess of $10,000,000 with an exemption of $50,000.

(4) Manufacturers' excise taxes on numerous articles, including lubricating oil, brewer's wort, automobiles, trucks, parts and accessories, tires and inner tubes, gasoline, candy, chewing gum, soft drinks, jewelry, toilet preparations, furs, domestic and commercial consumption of electricity, radios, mechanical refrigerators, sporting goods, and cameras.

(5) Other miscellaneous taxes, including new and increased stamp taxes, increased taxes on admissions, and new taxes on telephone, telegraph, cable, and radio messages, checks, leases of safe deposit boxes, transportation of oil by pipe line, and the use of boats.

(6) Increases in postal rates.

Increased income taxes were made effective on incomes for the calendar year 1932, instead of the calendar year 1931 as proposed by the Treasury. The manufacturers' excise taxes and the other miscellaneous taxes became effective 15 days after the signing of the act, that is, on June 21, and are limited in application to the period ending June 30, 1934, with the exception of the taxes on passenger automobiles, trucks, parts and accessories, and tires and tubes, which taxes remain effective until the end of the subsequent month, and of the gasoline tax which is levied for one year only, that is, until June 30, 1933.

At the time of its enactment it was estimated that the new revenue act would yield $1,118,500,000 of additional revenue for the fiscal year 1933, including additional postal revenue of $160,000,000 which would be reflected in a reduction in the postal deficit and consequently in total expenditures. (See Exhibit 27, page 277.)

The revenue act of 1932 effected one of the largest increases in taxes ever imposed by the Federal Government in peace times. In a year in which the enactment of any new revenue measure presented

grave difficulties, the placing on the statute books of an act so substantial in scope was an impressive achievement.

Viewing the act in relation to the emergency situation which made it necessary, there are a number of major accomplishments which result from it, aside from the provision of substantial additional revenue. These include the broadening of the base of the individual income tax through reduction in personal exemptions; the limitation of deductions from gross income on account of losses from sales of stocks and bonds held for two years or less; the closing of loopholes in certain other administrative provisions of the income tax law; and the inclusion among the new taxes of certain taxes which are levied on a relatively broad base and will yield relatively large amounts of revenue with little administrative cost. There are a number of features of the act which were not in accordance with the Treasury's views. These include the application of a discriminatory rate to corporation income reported on consolidated returns, and the inclusion of a number of manufacturers' excise taxes yielding relatively little revenue and involving considerable administrative difficulty.

CONDITION OF THE FEDERAL FINANCES

At the end of the fiscal year 1932 the Federal revenues had been cut approximately in half as compared with the average receipts for the four years ended with 1930, and expenditures had been greatly increased by the vast program of emergency relief undertaken to meet the extraordinary circumstances with which the Nation was confronted. Thus the depression affected the Federal Budget very seriously, on both the expenditure and the receipt side. As a result, we closed the fiscal years 1931 and 1932 with large deficits.

Even so, the finances of the United States Government are in sound condition.

In the last session of Congress reduction in expenditures by no means proceeded as far as necessary, yet a beginning was made. At the same time a very real effort was made to bring the revenues of the Government up to the requisite level. Receipts from the new taxes during the first few months in which the new revenue act has been in effect have been disappointing, but on the whole there can be no doubt as to their productiveness when business activity rises to more normal levels. Moreover, it should not be forgotten that the new law does not become fully effective until after the close of the fiscal year 1933.

When Congress adjourned the position of the Budget had been greatly improved.

I must continue to urge, as the Treasury Department did a year ago, that the Budget be brought into balance at the earliest possible date. Yet the deficits of the years of depression should be considered

in relation to the record of the entire postwar period. Through surpluses aggregating $3,460,000,000 during the eleven years ended with the fiscal year 1930, the Government had in effect accumulated a reserve, through accelerated debt reduction, which could be drawn upon in the lean years, and which fortified the position of the Federal finances.

The war debt reached its peak early in the fiscal year 1920. From that date to the end of the fiscal year 1930 the debt was steadily reduced. The decrease from June 30, 1919, to June 30, 1930, amounted to $9,300,000,000. Obligations in the amount of $4,907,000,000 were retired from ordinary receipts in fulfillment of statutory requirements, $3,460,000,000 from surplus receipts, and $933,000,000 through reduction in the General Fund balance. The statutory retirements included in the Budget for the fiscal years 1931 and 1932 amounted to $440,000,000 and $413,000,000, respectively, representing chiefly retirements through the cumulative sinking fund. Increases in the total public debt as a result of the deficits of 1931 and 1932 have about offset the retirements from surplus receipts over the preceding eleven years, but at the end of the fiscal year 1932 the total outstanding debt showed a net reduction of $5,998,000,000 as compared with June 30, 1919, which was about $240,000,000 in excess of the aggregate statutory requirements for the period.

As contrasted with the financial history of other leading nations since the war we find that, even after the last two years of heavy deficits, we had greatly reduced the public debt from the war peak. The traditional policy of our Government of rapidly reducing the national debt created during war periods has been maintained.

Moreover in appraising the financial position of the Government it should be remembered that up to the middle of November the total amount paid into the Reconstruction Finance Corporation for its capital stock, and the net advances to the corporation treated as public debt items in accordance with the law, were about $1,150,000,000. These funds are represented by loans made by the corporation on security and will at a not too distant date be returned to the Treasury.

Thus, of the amounts added to the public debt during this depression period, beginning with the fiscal year 1931 over a billion dollars is represented by assets which will be realized on and will furnish funds which can be applied to debt retirement.

ESTIMATES OF FUTURE REVENUES

There has been so much discussion of Treasury estimates that it is appropriate to say something in regard to the problem of estimates. The Treasury is not called upon to make estimates of future expenditures other than those covering the Treasury Department, but receives the expenditure estimates from the Director of the Budget. The

Treasury Department is called upon to furnish to the Congress estimates of future revenue. The estimates of future revenue are required to be presented to the Congress when it convenes early in December and have to be in final form by the middle of November. They must cover not only the current fiscal year ending with the succeeding June but also the fiscal year beginning the following July, a twelve-month period beginning eight months after the estimates are made up and ending twenty months later.

Future revenue receipts depend directly on future business conditions. In making up future estimates of revenues, what the Treasury Department is called upon to do, generally speaking, is to chart the business curve over a period of almost two years. Every business man knows the difficulty, in such a period as this, of forecasting with accuracy twenty months in advance the profits or losses which will be sustained in his own particular business. It can readily be appreciated, therefore, how great the difficulties are in forecasting, not only the future of any one business, but of all the businesses in the United States.

An examination of estimates made by the treasury departments in other countries over a series of years indicates that these difficulties are by no means peculiar to our country.

The Treasury Department has revised its estimates from time to time. This is inevitable under rapidly changing conditions. The past fiscal year is an example. Estimates made at the end of May, 1932, differed radically from those made in November, 1931, not because of any capricious change on the part of the Treasury, but because conditions were radically different. Conditions govern estimates, and all estimates are susceptible to those errors which inevitably enter into the field of forecasting.

During the calendar year 1929, current collections of individual income taxes were $1,163,000,000. During 1932 they will be only $250,000,000. We estimate that during 1933 they will be less than $150,000,000, computed on the basis of the 1928 revenue law. In the face of such enormous changes the inherent difficulties of forecasting are greatly augmented.

It seems to me essential that there should be a full appreciation on the part of the public of the problem involved, for the protection of those who, in the future conduct of the fiscal affairs of this Government, will be called upon to face this difficult problem.

Fiscal year 1933

In the estimates submitted to the Finance Committee at the end of May, the Treasury Department estimated the revenue for the fiscal year 1933, both under the taxes then in existence and the new taxes about to be imposed, at $3,098,000,000. The revenue for the

fiscal year 1933 is now estimated at $2,624,000,000, or approximately $474,000,000 less than the previous estimate.

The decline in the present estimates as compared with those made in May reflects in part a revision of basic forecasts to take account of delayed recovery—from a lower level and at a slower rate than was previously anticipated—with consequent further shrinkage in all tax bases. In part it has resulted from the loss of miscellaneous internal revenue, as indicated by collection reports to date, owing to heavy sales in advance of the effective date of new taxes; to difficulties which inevitably hamper the administration of a variety of scattered levies; to particular administrative obstacles affecting certain of the new levies as, for example, the tax on brewer's wort and malt sirup; and to smaller collections than had been anticipated for certain taxes—mainly the tax on checks and on admissions—in respect of which information available prior to the operation of the new law afforded inadequate bases for appraising the probable yield.

Customs receipts are estimated at $290,000,000, or $60,000,000 less than the amount estimated in May. Income taxes, which are estimated at $860,000,000, are $176,000,000 less than the previous estimate. Of the latter amount, $55,000,000 represents a reduction in estimated current collections of corporation income taxes and $81,000,000 a reduction in estimated current collections of individual income taxes. As already brought out, these decreases largely reflect readjustments to basic conditions affecting the level of incomes for the calendar year 1932. A reduction of $40,000,000 in estimated collections of back taxes on incomes reflects in part the increasing difficulty, under existing conditions, of effecting collections.

Of the $284,000,000 reduction from the May estimates of miscellaneous internal revenue, $128,000,000 is accounted for as follows: Reduction in the tax on brewer's wort, etc., from $82,000,000 to $10,000,000; reduction in the tax on checks from $78,000,000 to $45,000,000; and reduction in the admissions tax from $44,000,000 to $21,000,000. The balance of the reduction amounting to $156,000,000 includes a total of about $60,000,000 representing reductions to take account of losses in revenue due to heavy sales in advance of the effective date of the taxes, to evasion, and to administrative difficulties.

Under prevailing circumstances the revenue estimates are of necessity still qualified by major uncertainties. This is the case primarily because there is little to indicate the rate at which recovery will take place, and little previous experience on which to judge the effect of certain features of the individual income tax under the new revenue law, particularly the provision limiting the deduction of losses from dealings in securities from gross income. Furthermore, the effect of the reduced personal exemptions under existing conditions is problematical.

At the time the estimates of revenue were submitted to the Senate Finance Committee in May, I stated that if the Budget were to be balanced it would be necessary to reduce expenditures by $350,000,000 below the figures in the President's Budget Message, in addition to a reduction in the postal deficit of $160,000,000, which it was then estimated would result from postal provisions of the revenue act and other postal legislation. This would have involved a reduction of expenditures, exclusive of the postal deficit, to about $3,608,000,000. As already brought out, present estimates for the fiscal year 1933 indicate expenditures of $4,135,000,000, exclusive of the postal deficit, or about $527,000,000 more than that amount. Furthermore, it appears that the reduction in the postal deficit will fall short of the amount proposed in May by about $139,000,000.

We are confronted with a deficit this fiscal year of approximately $1,146,000,000, exclusive of statutory debt retirements.

Desirable as it is to make the sinking fund provisions of the law fully effective, it is apparent that under the difficult circumstances in which the country now finds itself, we must face the fact that the public debt can not be reduced for the next year or two. It should be pointed out, however, that the new revenue act is only partially effective in the fiscal year 1933. During the fiscal year 1934, the first in which the revenue act of 1932 becomes fully effective, if the gasoline tax be continued, the Federal tax revenues under this act will show an increase of about $460,000,000 over 1933.

Fiscal year 1934

Total governmental revenues are estimated for the fiscal year 1934 at $2,949,000,000, including only one month of collections from the gasoline tax which was imposed for one year and which clearly must be continued. If the recommendations made by the President in his annual Budget Message are followed, the expenditures can be reduced from $4,269,000,000 in 1933 to approximately $3,790,000,000 in 1934, or by about $479,000,000. Expenditures include an item of about $110,000,000 for continuing the construction work provided for in the so-called emergency relief bill, over the protest of this department, and a postal deficit of nearly $70,000,000. Expenditures, as submitted in the President's Budget Message, exclusive of statutory debt retirements in the amount of $534,000,000 are estimated at approximately $3,256,000,000. These figures indicate a deficit of approximately $307,000,000. With the gasoline tax continued the deficit will amount to about $170,000,000.

I am submitting herewith a table showing receipts and expenditures for the fiscal year 1932 and estimates for the fiscal years 1933 and 1934. Figures for 1934 are presented on the basis of estimates of expenditures as in the body of the Budget and as affected by additional recommendations in the Budget Message.

Receipts and expenditures for the fiscal year 1932, on the basis of daily Treasury statements (unrevised), and estimated receipts and expenditures for the fiscal years 1933 and 1934

[Receipts and expenditures are separately presented for general and special funds combined and for trust funds, to conform to the practice of the Bureau of the Budget, in addition to the customary totals for general, special, and trust funds combined; for explanation of funds, see p. 338]

	1932, actual	1933 estimates	1934 estimates	
			Basic Budget	Supplemented, Budget Message
GENERAL AND SPECIAL FUNDS COMBINED				
Receipts:				
Internal revenue—				
Income tax	$1,057,335,853	$860,000,000	$1,010,000,000	1,010,000,000
Miscellaneous internal revenue	503,670,481	900,000,000	981,000,000	981,000,000
Total internal revenue	1,561,006,334	1,760,000,000	1,991,000,000	1,991,000,000
Customs (excluding tonnage tax)	327,754,969	290,000,000	320,000,000	320,000,000
Miscellaneous receipts—				
Proceeds of Government-owned securities—				
Principal—foreign obligations		73,499,881	123,018,315	123,018,315
Interest—foreign obligations		195,094,693	205,724,562	205,724,562
Railroad securities	1,695,570	918,498	1,276,372	1,276,372
All other	20,671,931	49,963,585	44,447,600	44,447,600
Panama Canal tolls, etc	22,588,375	22,573,342	21,617,000	21,617,000
Other miscellaneous (including tonnage tax)	72,008,258	75,836,144	84,685,339	84,685,339
Total general and special fund receipts	2,005,725,437	2,467,886,143	2,791,769,188	2,791,769,188
Expenditures:				
Legislative Establishment	27,318,601	24,675,800	20,581,300	17,050,700
Executive Office	424,546	354,100	378,000	364,700
Veterans' Administration	784,841,820	838,265,000	869,885,000	739,986,000
Shipping Board	51,540,827	32,574,000	9,300,000	9,280,500
Other independent offices and commissions	52,545,271	45,946,700	41,966,800	40,709,300
Department of Agriculture	318,975,817	314,204,500	144,876,400	141,944,800
Department of Commerce	52,700,200	44,742,400	40,065,000	38,540,100
Department of the Interior	81,444,996	69,865,300	65,660,000	64,135,000
Department of Justice	51,639,261	45,281,300	43,854,000	42,193,400
Department of Labor	14,701,344	12,336,900	13,368,000	12,768,300
Navy Department	357,617,834	356,178,000	329,931,500	328,979,600
Post Office Department	125,899	75,000	75,000	75,000
Department of State	18,881,864	14,083,000	12,533,800	12,030,500
Treasury Department	287,945,002	280,796,900	252,473,900	247,510,500
War Department	466,788,011	426,001,900	392,710,400	389,230,000
	2,567,491,293	2,505,380,800	2,237,659,100	2,084,798,400
Add unclassified items	45,491			
	2,567,536,784	2,505,380,800	2,237,659,100	2,084,798,400
Interest on the public debt	599,276,631	695,000,000	725,000,000	725,000,000
Public debt retirements—				
Sinking fund	412,554,750	425,569,600	439,658,200	439,658,200
Purchases and retirements from foreign repayments		69,008,800	90,812,100	90,812,100
Purchases and retirements from franchise tax receipts (Federal reserve and Federal intermediate credit banks)	21,000	3,500,000	3,500,000	3,500,000
Estate tax	1,000	75,000	100,000	100,000
Forfeitures, gifts, etc	53,000			
Refunds of receipts—				
Customs	17,202,968	17,510,500	14,515,000	14,515,000
Internal revenue [1]	83,921,552	69,723,400	69,681,800	69,681,800
Postal deficiency	202,876,340	134,000,000	97,000,000	67,215,400
Panama Canal	10,661,805	13,421,800	12,933,000	12,380,000
Stock of Reconstruction Finance Corporation	500,000,000			
Additional stock of Federal land banks	125,000,000			
Distribution of wheat and cotton for relief		40,000,000		
Agricultural marketing fund (net)	136,238,856	10,000,000		
Adjusted service certificate fund	200,000,000	100,000,000	100,000,000	100,000,000
Civil service retirement fund	20,850,000	20,850,000	20,850,000	20,850,000

[1] Includes refunds and drawbacks under Bureau of Industrial Alcohol.

Receipts and expenditures for the fiscal year 1932, on the basis of daily Treasury statements (unrevised), and estimated receipts and expenditures for the fiscal years 1933 and 1934—Continued

	1932, actual	1933 estimates	1934 estimates	
			Basic Budget	Supplemented, Budget Message
GENERAL AND SPECIAL FUNDS COMBINED—con.				
Foreign service retirement fund	$215,000	$416,000	$292,700	$292,700
District of Columbia	[1] 9,500,000	7,775,000	7,775,000	7,775,000
Total general and special fund expenditures	4,885,909,686	4,112,230,900	3,819,776,900	3,636,578,600
Excess of expenditures	2,880,184,249	1,644,344,757	1,028,007,712	844,809,412
TRUST FUNDS				
Receipts	115,502,569	156,370,550	157,393,525	157,393,525
Expenditures	120,680,619	156,657,500	155,017,300	153,846,600
Excess of expenditures	5,178,050	286,950		
Excess of receipts			2,376,225	3,546,925
GENERAL, SPECIAL, AND TRUST FUNDS COMBINED				
Receipts	2,121,228,006	2,624,256,693	2,949,162,713	2,949,162,713
Expenditures	5,006,590,305	4,268,888,400	3,974,794,200	3,790,425,200
Excess of expenditures	2,885,362,299	1,644,631,707	1,025,631,487	841,262,487
Excess of expenditures, exclusive of debt retirements	2,472,732,549	1,146,478,307	491,561,187	307,192,187

[1] Represents the share of the United States charged against the General Fund of the Treasury. The expenditures chargeable against the revenues of the District of Columbia under "trust funds" amounted to $39,524,773.60 for the fiscal year 1932.

RECOMMENDATIONS

Budget

Expenditures.—However difficult and painful it may be, Government expenditures must be drastically cut when, owing to extraordinary circumstances, the Government finds that within a comparatively short period its revenues have been cut in half with little prospect of substantial improvement in the near future.

In a period of deep depression, with the income of the people greatly reduced, with their buying power drastically curtailed, and with millions deprived of their earning capacity, it is not only unwise but impossible to bridge the gap in the Budget entirely by increased taxation. There is no other course for the Government to follow but the one to which individuals and business enterprises are driven under similar circumstances, that is, to endeavor to live within its income.

As the Secretary of the Treasury stated in his last annual report:

> There is a limit to the extent to which the Government, in our social and economic structure, may wisely divert funds from private employment to governmental use. When we take into consideration the mounting burden of State and local taxes, it is no exaggeration to say that we are approaching that limit.

A start was made at the last session of the Congress toward reducing the cost of Government. The economies then effected are not adequate. Moreover, while substantial cuts were made in a number of appropriations, new or increased appropriations in other directions offset in part these accomplishments.

At the coming session not only must every possible reduction be made, but there should be unyielding opposition to all increases and to all new appropriations.

The Congress last spring made a real effort to increase the revenues, and there is no doubt that the revenue act of 1932 represents a substantial accomplishment. The people, recognizing the necessity, loyally accepted the new and heavy burden.

The time has come to make a like effort on the cost side of the ledger. There is no more important problem before the Congress than that of reducing the cost of Government.

Revenue.—As already stated, the deficit for the fiscal year 1934 is estimated at approximately $307,000,000, exclusive of statutory debt retirements and after reductions in expenditures as recommended by the President. In order that current receipts may cover current expenditures, exclusive of debt retirements, I recommend:

(1) That the gasoline tax now in effect and which is effective only until June, 1933, be continued for another year, providing an additional $137,000,000 of revenue;

(2) That those excise taxes which experience has demonstrated are relatively unproductive and give rise to serious administrative difficulties be repealed, and that there be imposed a general manufacturers' excise tax substantially in the form appearing in the bill originally reported by the Ways and Means Committee of the House of Representatives during the last session of the Congress. It is estimated that such a measure with the 2¼ per cent rate will yield about $355,000,000, assuming a full year of collections, thus making possible the elimination of a number of the unsatisfactory and relatively unproductive new excise taxes.

In view of the misunderstanding as evidenced in the congressional debates of last winter, I must emphasize that I am not recommending a general sales or turnover tax, with the inevitable pyramiding of the tax, but a manufacturers' excise tax, imposed at one point only.

In short, the recommendations of this department are substantially those made to the Senate committee last May:

(1) A drastic reduction in expenditures;

(2) The imposition of a tax resting on a broad enough base to assure adequate revenue.

Because of the effect of existing conditions of the depression on the Budget for 1934, it is scarcely feasible to provide for resumption in that year of normal net reduction in the public debt, as was proposed during the last session of Congress. I can not too strongly urge, however, the necessity for balancing the Budget for the fiscal year 1934, exclusive of expenditures for debt retirement.

Public debt

The Treasury subscription to the capital stock of the Reconstruction Finance Corporation was chargeable as a current expenditure of the fiscal year 1932; but since the Government closed that fiscal year with a deficit in excess of the amount of the subscription,

the latter was in effect covered by increased borrowing. The public debt was necessarily increased by that amount.

I recommend that legislation be enacted providing that upon the retirement of the capital stock of the Reconstruction Finance Corporation, the amounts repaid to the Treasury shall be applied to the reduction of the public debt.

The repayments of the funds advanced by the Treasury to the Reconstruction Finance Corporation on its notes under the terms of the existing law will be automatically so applied.

Banking reform

The developments of the last decade have uncovered unmistakable defects in the American banking structure. They constitute a source of weakness in our economic life, and have been an important factor in the present depression. They call for fundamental reforms.

The outstanding facts are as follows:

1. During the 20 years ended with 1920 there was an enormous increase in the number of banks. In 1900 there were about 14,000; in 1920, over 30,000. In 1900 there was one bank for every 5,500 of the inhabitants of the United States; in 1920, one for every 3,500.

2. This excessive growth in the number of banks was due in part to our dual system of State and National banks, and to a laxity resulting from its competitive feature. There is no doubt that both State and National authorities have in the past granted bank charters too freely, a condition to which the Comptroller of the Currency directed attention as early as 1927.

3. During all of this period unit banking received every encouragement, while branch banking was discouraged and for the most part prohibited.

4. The banking system of the United States as thus developed did not successfully meet the test of adverse circumstances. In 12 years there have been over 10,000 bank failures, or over one failure for every three active banks in the country in 1920. These failures have involved deposits aggregating nearly $5,000,000,000. They have brought untold hardship to countless individuals, and have intensified the economic depression. The Comptroller of the Currency has in recent years repeatedly pointed out weaknesses in our existing system.

It is true that during the period in question the banks have had to struggle with extraordinarily difficult economic conditions. This was particularly true in the agricultural regions where sharply declining prices, accompanied by rapid depreciation in land values succeeding a rapid increase during the years prior to 1920, created unusual difficulties for the farmers and the banks that served them.

During the last three years the problems facing our entire banking system have been accentuated owing to the strains occasioned by the credit crisis which has accompanied a world-wide depression.

But even so, the country is entitled to the services of a banking system which will not only function adequately and safely in periods of fair weather, but will be able to withstand the stresses of even unusual storms. Any system that develops weaknesses to the extent that ours has when subjected to an unusual strain calls for careful analysis and study with a view to reform.

Various studies that have been made point to unescapable conclusions. The mortality rate is much greater among small banks than among the banks with larger resources. The earnings of most of the smaller institutions over the period of the last few years have been entirely inadequate, making it impossible for them to build up reserves. The cost of operation, and consequently the cost to the community which it serves, bears a direct relationship to the size of the bank. This is particularly true of the great number of institutions with limited resources that were operating in 1920 at the time the number of banks reached the maximum. The losses sustained by the smaller institutions have been relatively greater; and it is unquestionably true that a great number of the small banks have been unable to secure proper management.

This does not mean that mere size will of itself guarantee good banking or a sound banking structure. These facts, however, do indicate that the operation of a vast number of independent unit banks under such conditions that it is difficult for them either properly to diversify their assets, to make earnings, to procure competent management, or to command adequate resources, is a definite source of weakness in the American system of banking.

Our dual system and the divided control which exists have tended to relaxation in banking law and regulations, and to the development of unsound practices in the management of the banks. Moreover, recent events have disclosed as never before the extent to which many banks with deposits payable on demand have allowed too large a proportion of their assets to become tied up directly or indirectly in capital commitments. Furthermore, in some instances the functions of commercial and investment banking have become merged under the same management to such an extent as to present a difficult and important problem calling for remedy.

These facts speak for themselves. The banking structure of the United States needs modification.

In the last annual report of the Secretary of the Treasury it was recommended that trade area branch banking be adopted for national banks as a measure that would help overcome some of our present banking difficulties.

I renew the recommendation looking to the extension of branch banking.

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But it seems to me that the problem goes deeper than this. There is no occasion for any extensive new gathering of material. The facts are available in the reports of hearings of the Banking and Currency Committees of both Houses, in the reports of the Comptroller of the Currency, and in the comprehensive studies made by the Federal reserve system.

I recommend that a joint committee of the two Houses, in cooperation with the Federal Reserve Board and the office of the Comptroller of the Currency, consider pending banking legislation in the light of information which has more recently become available, with a view to prompt formulation and enactment of legislation that will remedy the fundamental weaknesses of our banking structure.

United States bonds—Circulation privilege

A section in the Federal home loan bank act, approved July 22, 1932, authorized national banks to issue national bank notes on the basis of all Government bonds carrying a rate of interest of 3⅜ per cent or less, the circulation privilege having previously been restricted to the 2 per cent consols and Panama Canal bonds (see p. 71 of this report). This emergency authority was granted for three years. On October 31, 1932, about $125,000,000 of additional national bank notes had been issued; these issues may have been helpful in some localities. Under the terms of this law, however, the total amount of national bank notes that can be issued is in excess of $900,000,000. Under different business and economic conditions the power of the banks to issue such an amount of additional notes would seriously interfere with the Federal reserve system's contact with the market and ability to influence credit conditions. I, therefore, recommend that the authority granted by the act of July 22, 1932, for a period of three years be not extended beyond that period.

German special deposit account

A proposed amendment to the trading with the enemy act will be found on page 48 of this report.

Railroad obligations

In the last annual report of the Secretary of the Treasury, recommendation was made that the necessary legislation be enacted which would authorize the Secretary of the Treasury, with the concurrence of the Interstate Commerce Commission, to take such action as may be considered necessary to enable the Government to realize the utmost amount obtainable on account of railroad obligations held. Attention was called to the fact that approximately two-thirds of the $39,000,000 principal amount of obligations of carriers remaining unpaid was owed by carriers in the hands of receivers; and that under such circumstances the Government could not expect to realize the full

amount of the indebtedness due. For that reason it is essential that broad and general powers be given to the executive branch of the Government to deal with the railroad obligations in a practical manner.

A bill (H. R. 6582) providing for the compromise and settlement of claims of the United States against carriers arising under the provisions of section 210 of the transportation act, 1920, as amended, was introduced in the last session of Congress. The provisions of the bill imposed certain restrictions and confined authority to the indebtedness arising under section 210 of the transportation act, and, therefore, did not fully meet the needs of the situation. In reporting on this bill, the Secretary of the Treasury called attention to these restrictions and requested that consideration be given to enlarging the powers contained in the bill, so that the executive branch of the Government could deal with all indebtedness of carriers arising under title 2 of the transportation act, 1920. There was submitted with the report a draft of an amendment to accomplish the purposes set out in the report. Another bill (H. R. 10746), containing the suggestions made in the report of the Secretary of the Treasury on bill H. R. 6582, was introduced during the latter part of the last session of Congress and referred to the Committee on Interstate and Foreign Commerce. Because of other more pressing matters, the bill did not receive consideration.

It is believed that it is imperative that the Government should take some action with respect to the indebtedness of carriers to the United States arising under the provisions of the transportation act. The Treasury should be in a position to arrange for a settlement of these debts and to cooperate in any reorganization plans submitted by receivers, reorganization committees, or the carriers.

I recommend, therefore, that consideration be given to this matter during the coming session of Congress. It is believed that, if a bill be enacted in the same form as H. R. 10746 introduced in the last session, it will give the Secretary of the Treasury sufficient authority to make necessary adjustments of the railroad obligations on a practical basis.

Senate Resolution No. 494 of March 3, 1931, requested the Secretary of the Treasury to report to the Senate on or before December 1, 1931, with respect to the indebtedness of each railroad debtor on any notes or other claims on account of loans made under the provisions of section 210 of the transportation act, 1920, covering the following items: (1) The financial condition of each railroad; (2) class of security held by the Government; (3) prospects of payment; (4) efforts being made to collect; and (5) recommendations as to disposition of the debt. The Secretary reported on this resolution under date of November 30, 1931, reviewing to some extent the history of loans made under section 210 of the transportation act, 1920, and in addition showing the status of the indebtedness of each carrier to

the Government, the collateral security behind each loan, and a financial statement of each carrier for the five years ended December 31, 1930, and eight months of the calendar year 1931. This report was printed as Senate Document No. 11, Seventy-second Congress, first session.

OBLIGATIONS OF FOREIGN GOVERNMENTS

During the fiscal year 1932 no payments were received on account of the indebtedness of foreign governments, because of the suspension of payments authorized by the joint resolution of the Congress approved December 23, 1931, providing for the postponement of the payments due during that year under the debt funding agreements.

A statement showing the principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1932, will be found as Table 46 on page 437 of this report.

Postponement of payments on intergovernmental indebtedness

Under the joint resolution of Congress approved December 23, 1931, the Secretary of the Treasury, with the approval of the President, is authorized to enter into an agreement with each foreign government indebted to the United States on account of war and relief debts and with Germany in respect of army costs, to postpone the payment of any amount payable during the fiscal year beginning July 1, 1931, and to provide for the repayment of the amount so postponed with interest at the rate of 4 per cent per annum beginning July 1, 1933, in 10 equal annuities; provided, that each such government gives satisfactory assurances to the United States of its willingness and readiness to make agreements with its debtors with respect to war, relief, or reparation debts substantially similar to the agreement authorized by the joint resolution. All of the governments indebted to the United States under the funding agreements, with the exception of the Government of Yugoslavia, have executed agreements with the United States in accordance with the provisions of the joint resolution.

The Government of Yugoslavia, because of the effect which such action would have on its budgetary situation, advised that it could not accept the provisions of the moratorium. It has not, therefore, agreed to the provisions of the joint resolution, and postponement of the sum of $250,000 payable on June 15, 1932, could not be formally made by the Government of the United States. The Treasury made formal demand for payment of the amount due, but it has not yet been paid.

The moratorium as related to Germany is discussed in a later section.

The total amount to be received by the United States under the moratorium agreements over the ten-year period beginning July 1,

1933, is $300,187,340 on account of war and relief debts and 30,580,989 reichsmarks on account of the Army of Occupation. The following statement shows the total amount postponed for each government on account of principal and interest, and the annuity payable by each government over the 10-year period.

Principal and interest payments affected by the postponement agreements, and the annuities payable thereunder during the fiscal years 1934 to 1943

Country	Date of postponement agreement	Amount postponed			Amount payable each year, including interest at 4 per cent per annum over 10-year period beginning July 1, 1933
		Principal	Interest	Total	
	1932				
Austria	Sept. 14	$287, 556. 00		$287, 556. 00	$34, 767. 23
Belgium	June 10	4, 200, 000. 00	$3, 750, 000. 00	7, 950, 000. 00	968, 907. 76
Czechoslovakia	do	3, 000, 000. 00		3, 000, 000. 00	365, 625. 56
Estonia	June 11	108, 012. 87	492, 360. 19	600, 373. 06	73, 170. 58
Finland	May 23	55, 000. 00	257, 295. 00	312, 295. 00	38, 061. 00
France	June 10	11, 363, 500. 00	38, 636, 500. 00	50, 000, 000. 00	6, 093, 759. 44
Great Britain	June 4	28, 000, 000. 00	131, 520, 000. 00	159, 520, 000. 00	19, 441, 530. 10
Greece	May 24	660, 000. 00	449, 080. 00	1, 109, 080. 00	134, 274. 76
Hungary	May 27	12, 270. 00	57, 072. 75	69, 342. 75	8, 451. 16
Italy	June 3	12, 200, 000. 00	2, 506, 125. 00	14, 706, 125. 00	1, 792, 311. 76
Latvia	June 11	44, 664. 20	205, 989. 96	250, 654. 16	30, 548. 52
Lithuania	June 9	38, 615. 00	185, 930. 46	224, 545. 46	27, 366. 52
Poland	June 10	1, 325, 000. 00	6, 161, 835. 00	7, 486, 835. 00	912, 459. 42
Rumania	June 11	800, 000. 00		800, 000. 00	97, 500. 16
Total		62, 094, 618. 07	184, 222, 188. 36	246, 316, 806. 43	30, 018, 733. 97
Germany—				*Reichsmarks*	*Reichsmarks*
Army costs	May 26			25, 300, 000. 00	3, 058, 098. 90

A copy of a press release by the Under Secretary of the Treasury of December 14, 1931, a copy of the joint resolution of December 23, 1931, and copies of the agreements concluded under authority of that resolution will be found as Exhibits 32 to 49, pages 288 to 308 of this report.

Payments due July–December, 1932

Practically all of the debt agreements contain provisions whereby the debtor government upon 90 days' advance notice may, at its option, under certain conditions, postpone for the period specified in the particular agreement any *principal* payment. The United States, in its discretion, however, may waive in writing the requirement of the 90 days' advance notice.

Greece.—On June 29, 1932, the Greek Government advised the Treasury that because of recent unfavorable economic developments in that country it would be compelled to postpone the payment of $130,000 falling due on July 1, 1932, under the debt funding agreement. While the debt agreement requires 90 days' advance notice of the intention to exercise the option to postpone principal payments, it authorizes the United States in its discretion to waive the requirement of such notice. The Greek Government pointed out that the conditions which made it necessary for that Government to avail

itself of the postponement provision did not exist 90 days previous to the payment date and requested that such requirement be waived. In view of the unforeseen conditions over which the Greek Government had no control, the Secretary of the Treasury waived the provision requiring 90 days' advance notice and Greece postponed the payment due for a period of 2½ years. The amount postponed will bear interest at the rate of 4¼ per cent per annum, payable semiannually, in accordance with the terms of the debt funding agreement.

The Government of Greece failed to meet the payments due on November 10, 1932, on account of the 4 per cent refugee loan made to it on May 10, 1929, under authority of the act of Congress approved February 14, 1929. The amount due was $444,920, of which $227,000 represented principal and $217,920 represented semiannual interest.

A copy of the related press release, July, 1, 1932, will be found as Exhibit 48 on page 307 of this report.

Estonia, Latvia, and Poland.—The Governments of Estonia, Latvia, and Poland gave notice on September 15, 1932, of their intention to postpone the principal payments due December 15, 1932, on account of the bonds first issued under their respective funding agreements. The Government of Estonia postponed $90,000; Latvia, $37,000; and Poland, $1,125,000. All of the amounts postponed will bear interest according to the terms of the agreements at the rate of 3½ per cent per annum, payable semiannually.

Copy of the press release, September 15, 1932, announcing the postponement of payments due December 15, 1932, will be found as Exhibit 50 on page 308 of this report.

Germany.—The postponement of Germany's payments due during the fiscal year 1932 and on September 30, 1932, is discussed under Receipts from Germany on page 38.

Requests for suspension.—Under date of November 10, 1932, the United States Government received a note from the British ambassador on behalf of his Government stating: "They (the British Government) believe that the régime of intergovernmental financial obligations as now existing must be reviewed. They are profoundly impressed with the importance of acting quickly; and they earnestly hope that the United States Government will see its way to enter into an exchange of views at the earliest possible moment." It is further stated that they realize that it will not be possible to conclude an agreement regarding these matters within the short period remaining prior to December 15, 1932, the next payment date, and ask, therefore, that the payments due on that date be suspended during the period under discussion or for any other period that may be agreed upon. Similar requests have been received from the Governments of France, Belgium, Czechoslovakia, Poland, and Latvia.

Hungary.—The Government of Hungary has officially notified the United States that because of foreign exchange difficulties it will not

be in a position to meet the payment due on December 15, 1932. The amount payable on that date is $40,729.35, of which $12,285 represents principal and $28,444.35 represents semiannual interest.

Payments due.—The amount due to the United States between June 30 and December 31, 1932, from each government is as follows:

Amounts due on account of the indebtedness of foreign governments to the United States between June 30 and December 31, 1932

Country	Interest	Principal	Total
Belgium	$2, 125, 000. 00		$2, 125, 000. 00
Czechoslovakia		$1, 500, 000. 00	1, 500, 000. 00
Estonia	245, 370. 00	111, 000. 00	356, 370. 00
Finland	128, 235. 00	58, 000. 00	186, 235. 00
France	19, 261, 432. 00		19, 261, 432. 00
Great Britain	65, 550, 000. 00	30, 000, 000. 00	95, 550, 000. 00
Greece	217, 920. 00	357, 000. 00	574, 920. 00
Hungary	28, 444. 35	12, 285. 00	40, 729. 35
Italy	1, 245, 437. 00		1, 245, 437. 00
Latvia	102, 652. 12	46, 200. 00	148, 852. 12
Lithuania	92, 386. 01		92, 386. 01
Poland	3. 070, 980. 00	1, 357, 000. 00	4, 427, 980. 00
	92, 067, 856. 48	33, 441, 485. 00	125, 509, 341. 48

Funding of optional payments due by Poland

Under paragraph 4 of the funding agreement concluded November 14, 1924, with the Government of Poland, that Government was granted the option during the five years ended December 15, 1929, of paying smaller amounts than required by the regular schedule of payments under paragraph 2 of the agreement. The agreement provided that the difference, including interest on all overdue payments at the rate of 3 per cent per annum from their respective due dates to December 15, 1929 (the date of the expiration of the option), should be funded into bonds of the Government of Poland bearing interest at the rate of 3 per cent per annum from December 15, 1929, to December 15, 1932, and thereafter at 3½ per cent per annum, and payable serially over the life of the agreement, terminating in 1984, the bonds issued to be substantially similar to the bonds first issued under the debt agreement. The amount paid by Poland under the option granted in paragraph 4 of the funding agreement was $10,000,000; whereas, the amounts due and payable under paragraph 2, including principal and annual interest, aggregated $43,450,550, leaving a balance of $33,450,550, to which should be added accrued interest of $3,632,176.06, making a total matured debt of $37,082,726.06.

At the time that the funding of the indebtedness of the Government of Poland was under consideration by the World War Foreign Debt Commission, the Minister of Poland called the commission's attention to certain claims of his Government then pending before the War Department on account of excess charges, etc., in connection with the sales on credit of surplus war material to that Government.

He advised the commission that his Government did not wish to delay the execution of the debt funding agreement because of these pending claims and suggested that any amounts allowed, together with interest thereon at the rates stipulated in the funding agreement, be credited later against the indebtedness as funded. The minister was advised that his Government would receive an appropriate credit for any sums allowed by the War Department on account of such claims. In December, 1930, the War Department advised the Treasury that it had examined the claims of the Government of Poland amounting to \$1,969,980.26 and had allowed a total of \$1,311,437.89, to which there was added, in accordance with the understanding, interest in the amount of \$502,757.27, making a total of \$1,814,195.16. After deducting a sum of \$766.47, due the War Department on account of rations furnished the Polish Government, the remainder, \$1,813,428.69, was credited against the total amount of \$37,082,726.06 due under paragraph 4 above mentioned, leaving a net amount to be funded of \$35,269,297.37, for which Poland delivered to the Treasury on February 29, 1932, an equivalent face amount of its 3–3½ per cent gold bonds dated December 15, 1929, and maturing serially over the succeeding 55 years. The bond for \$212,297.37 due December 15, 1930, was paid on its maturity date.

Czechoslovakia

The Government of Czechoslovakia has not yet ratified the funding agreement concluded on October 13, 1925, and for that reason has not delivered bonds in exchange for the obligations now held, as provided for under that agreement. Czechoslovakia has, however, continued to make payments regularly under the funding agreement, except the payments postponed under the joint resolution of December 23, 1931.

WORLD WAR FOREIGN DEBT COMMISSION

Under date of December 10, 1931, the President submitted to Congress a special message on our foreign affairs, including in it a recommendation for the re-creation of the World War Foreign Debt Commission to examine such problems as might arise in connection with the indebtedness of foreign governments to the United States and to report to Congress its conclusions and recommendations. That portion of the message concerning foreign debts will be found as Exhibit 30, page 286 of this report. A copy of a press release by the Secretary of the Treasury on December 12, 1931, in this connection will be found as Exhibit 31, page 287.

RECEIPTS FROM GERMANY

The United States received no payments during the fiscal year from the Government of Germany on account of the costs of the

American Army of Occupation or of the awards of the Mixed Claims Commission, United States and Germany, except interest on postponed payments due on mixed claims.

Army costs

Payments due during the fiscal year under the debt funding agreement of June 23, 1930, on account of the costs of the Army of Occupation were postponed under the provisions of the joint resolution approved December 23, 1931. In accordance with the terms of the joint resolution an agreement has been made with the Government of Germany providing for the postponement of such payments and their repayment over a period of 10 years, with interest at the rate of 4 per cent per annum, beginning July 1, 1933. The amount due on this account was 25,300,000 reichsmarks, or approximately $6,000,000 converted at par of exchange. The amounts to be repaid over the 10-year period under the agreement executed in accordance with the provisions of the joint resolution are shown on page 35 of this report.

The army cost account as of October 1, 1932, stood as follows:

Total army cost charges (gross), including expenses of Interallied Rhineland High Commission (American department)		$292, 663, 435. 79
Credits to Germany:		
Armistice funds (cash requisition on German Government)	$37, 509, 605. 97	
Provost fines	159, 033. 64	
Abandoned enemy war material	5, 240, 759. 29	
Armistice trucks	1, 532, 088. 34	
Spare parts for armistice trucks	355, 546. 73	
Coal acquired by Army of Occupation	756. 33	
		44, 797, 790. 30
		247, 865, 645. 49
Payments received:		
Under the army cost agreement of May 25, 1923, which was superseded by agreement of Jan. 14, 1925	14, 725, 154. 40	
Under Paris agreement of Jan. 14, 1925	39, 203, 725. 89	
Under debt agreement of June 23, 1930	12, 069, 631. 84	
		65, 998, 512. 13
Balance due as of October 1, 1932		181, 867, 133. 36

NOTE.—The balance due on account of army costs is exclusive of the 10 per cent reduction allowed in the amount of the total army costs originally due, contemplated in the agreement with Germany, to accord with similar reductions accepted by the Governments of France and Great Britain under the Young Plan. The amount due during the fiscal year 1932 and postponed under the joint resolution of December 23, 1931, has not been deducted from balance due.

Mixed claims

The amount due from Germany on account of mixed claims during the fiscal year was 40,800,000 reichsmarks, or approximately $9,700,000 converted at par of exchange. Payments due on this account were not included in the moratorium authorized by the joint resolution of December 23, 1931, as they are considered to be payments on account of private obligations which were expressly excepted from the President's proposal of June 20, 1931.

These payments however were postponed for two and one-half years from their due dates under the option granted in the funding agreement of June 23, 1930. The postponed payments bear interest at the rate of 5 per cent per annum, payable semiannually, in accordance with the funding agreement. The Government of Germany paid the United States on March 31, 1932, the sum of 510,000 reichsmarks, representing semiannual interest due that date on the amount postponed on September 30, 1931, and it made a further payment of 1,020,000 reichsmarks on September 30, 1932, representing semiannual interest due that date on the amounts postponed September 30, 1931, and March 31, 1932.

The Government of Germany postponed also the payments of 20,400,000 reichsmarks on account of mixed claims and 12,650,000 reichsmarks on account of army costs due on September 30, 1932. The debt agreement with Germany requires an advance notice of 90 days in writing to the United States in case that Government desires to postpone any of the payments falling due thereunder, but the United States, in its discretion, may waive the requirement of any such notice. That is, at any time up to 90 days before the date of payment the Government of Germany had the right under the provisions of the debt agreement of June 23, 1930, to give notice of postponement of the payments due on September 30, 1932. The Secretary of the Treasury was advised by representatives of the German Government on June 30, 1932, that Germany desired to make the payments due on September 30 if possible, but it would have to give notice before July 2, 1932, of the exercise of its option to postpone unless it had some assurance from the Secretary of the Treasury that the 90-day requirement would be waived if it were later definitely determined that payment could not be made. It was obviously in the best interests of the American claimants and the Government of the United States to allow Germany as much time as possible to determine whether or not it could make the payments due, instead of requiring that Government to give notice of postponement three months prior to the payment date, as it proposed to do if no assurance of the waiver were given. The Secretary of the Treasury advised the German Government that the 90-day notice required under the agree-

ment would be waived if that Government later found that it would not be able to make the payments when due.

On September 28 the German Government advised the Secretary of the Treasury that it could not make the payments due and requested the United States to waive the 90-day notice requirement in accordance with the previous understanding. The Secretary of the Treasury waived the provision with respect to the 90 days' advance notice and the mixed claims payment was postponed for a period of two years from September 30, 1932, and the army costs payment was postponed for a period of two and one-half years from September 30, 1932, in accordance with the provisions of the debt agreement. The amount postponed on account of mixed claims bears interest at the rate of 5 per cent per annum and the amount postponed on account of army costs bears interest at the rate of 3⅝ per cent per annum, both payable semiannually.

A copy of the press release issued by the Secretary of the Treasury on September 28, 1932, will be found as Exhibit 51, page 308 of this report.

TREASURY ADMINISTRATION OF ALIEN AND MIXED CLAIMS

The settlement of war claims act of 1928 authorized the Secretary of the Treasury to make payments on account of (1) awards of the Mixed Claims Commission, United States and Germany, for claims of American nationals against the Government of Germany; (2) awards of the War Claims Arbiter for claims of German, Austrian, and Hungarian nationals against the Government of the United States; and (3) awards of the Tripartite Claims Commission for claims of American nationals against the Governments of Austria and Hungary.

The time within which claimants receiving awards from the Mixed Claims Commission, United States and Germany, and the Tripartite Claims Commission, United States, Austria and Hungary, could file application, expired on March 10, 1932. Congress, however, by act of June 14, 1932 (Public Resolution No. 27, 72d Cong.), extended the time within which such applications could be filed for a period of one year from March 10, 1932. A copy of the act of June 14, 1932, will be found as Exhibit 53, page 310 of this report.

Mixed Claims Commission

Claims against Germany.—The payments made by the Treasury to American nationals during the past year on account of awards of the Mixed Claims Commission, United States and Germany, were for the most part on account of awards in excess of $100,000, and in connection with the 27 per cent distribution of remaining unpaid principal authorized on September 30, 1931. That distribution was made out of funds appropriated by Congress based on the amount of the

awards entered by the War Claims Arbiter in favor of German nationals, one-half of which by the provisions of the settlement of war claims act is authorized to be paid to American claimants and the other half distributed to German nationals. No further funds were available during the year, as Germany postponed the payments due September 30, 1931, March 31 and September 30, 1932, under the debt funding agreement of June 23, 1930.

The following statement shows the dates of distribution and the amounts authorized to be distributed on account of the awards in excess of $100,000. The amounts actually paid in the various classes to September 30, 1932, are shown in a later statement.

Date authorized to be distributed	Amount authorized to be distributed (revised)	Per cent of undistributed principal authorized to be distributed	Undistributed balance (revised)
Jan. 1, 1928			$139,894,772.33
Aug. 6, 1928	$16,100,000.00	(1)	123,794,772.33
Aug. 22, 1928	37,138,431.71	30	86,656,340.62
Jan. 15, 1929	8,665,634.06	10	77,990,706.56
July 15, 1929	5,459,349.47	7	72,531,357.09
Dec. 16, 1929	6,527,822.15	9	66,003,534.94
Mar 31, 1930	4,620,247.46	7	61,383,287.48
Sept. 30, 1930	7,365,994.51	12	54,017,292.97
Mar. 31, 1931	4,861,556.37	9	49,155,736.60
Sept. 30, 1931	13,272,048.91	27	35,883,687.69
Total [2]	104,011,084.64		

[1] Distribution of $100,000, on account, to each claimant.
[2] Of the amount authorized to be distributed, $103,655,224.38 has been paid.

Up to October 1, 1932, the Treasury has made payments in the aggregate amount of $134,468,480 on account of awards of the Mixed Claims Commission, from which there has been deducted $672,343 representing one-half of 1 per cent authorized by the settlement of war claims act, making net payments to claimants of $133,796,137. Of the deductions, $645,322 has been covered into the Treasury as miscellaneous receipts in accordance with the settlement of war claims act as reimbursement to the United States for expenses incurred; $198 is available for a like purpose but has not yet been covered into the Treasury; and $24,150 has been paid to the German Government, which, together with a further sum of $2,673 available for payment, represents amounts which were deducted from awards entered by the commission under the late-claims agreement of December 31, 1928, and were made available to the German Government for defraying such expenses as may be incurred by that government for the adjudication of those late claims.

The following summary shows, by classes, the number and amount of awards certified to the Treasury by the Secretary of State, the amount paid on account, and the balance due as of September 30, 1932:

Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State, and the amount paid and balance due, by classes, as of September 30, 1932

Awards certified	Total number of awards	Total amount	Class I: Number of awards	Class I: Awards on account of death and personal injury	Class II: Number of awards	Class II: Awards of $100,000 and less	Class III: Number of awards	Class III: Awards over $100,000
1. Amount due on account:								
Principal of awards—								
Agreement of Aug. 10, 1922	4,531	$114,278,420.93	417	$3,475,187.75	3,816	$14,744,476.01	298	$96,058,757.17
Agreement of Dec. 31, 1928	2,288	3,693,716.85	115	556,625.00	2,167	2,445,657.57	6	691,434.28
		117,972,137.78		4,031,812.75		17,190,133.58		96,750,191.45
Less amounts paid by Alien Property Custodian and others		187,226.85				48,012.50		139,214.35
		117,784,910.93		4,031,812.75		17,142,121.08		96,610,977.10
Interest to Jan. 1, 1928, at rates specified in awards—								
Agreement of Aug. 10, 1922		50,372,210.55		729,832.53		6,680,688.30		42,961,689.72
Agreement of Dec. 31, 1928		1,408,765.63		115,976.22		970,683.90		322,105.51
Total payable to Jan. 1, 1928		169,565,887.11		4,877,621.50		24,793,493.28		139,894,772.33
Interest thereon to date of payment or, if unpaid, to Sept. 30, 1932, at 5 per cent per annum as specified in the settlement of war claims act of 1928		18,159,584.13		183,154.25		1,192,274.75		16,784,155.13
Total due claimants		187,725,471.24		5,060,775.75		25,985,768.03		156,678,927.46
2. Payments made on account up to Sept. 30, 1932:								
Principal of awards—								
Agreement of Aug. 10, 1922	4,216	[1] 120,908,181.66	417	3,475,187.75	3,799	14,567,049.64		[1] 102,865,944.27
Agreement of Dec. 31, 1928	2,259	3,786,213.11	114	555,425.00	2,145	2,441,508.00		789,280.11
Interest to Jan. 1, 1928, at rates specified in awards—								
Agreement of Aug. 10, 1922		7,358,662.62		729,832.53		6,628,830.09		(2)
Agreement of Dec. 31, 1928		1,084,734.99		115,726.19		969,008.80		(2)
Interest at 5 per cent per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, to date of payment as directed by the settlement of war claims act of 1928		1,330,687.78		182,810.17		1,147,877.61		
Total payment to Sept. 30, 1932		134,468,480.16		5,058,981.64		25,754,274.14		103,655,224.38

[1] Includes payments on account of interest to Jan. 1, 1928, on Class III awards. Payments on this class of awards are first applied on account of the total amount payable as of Jan. 1, 1928, as directed by the settlement of war claims act of 1928, until total of all payments on the 3 classes equals 80 per cent of the amount payable Jan. 1, 1928. Payment of accrued interest since Jan. 1, 1928, on this class of claims deferred in accordance with act.

[2] See above note.

Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State, and the amount paid and balance due, by classes, as of September 30, 1932—Continued

Awards certified	Total number of awards	Total amount	Class I: Number of awards	Class I: Awards on account of death and personal injury	Class II: Number of awards	Class II: Awards of $100,000 and less	Class III: Number of awards	Class III: Awards over $100,000
2. Payments made on account up to Sept. 30, 1932—Continued.								
Less one-half of 1 per cent deduction from each payment—								
Agreement of Aug. 10, 1922		[3] $645, 519. 51		$21, 536. 63		$109, 652. 76		$514, 330. 12
Agreement of Dec. 31, 1928		[4] 26, 823. 50		3, 758. 24		19, 118. 87		3, 946. 39
Net payments made to claimants up to Sept. 30, 1932		133, 796, 137. 15		5, 033, 686. 77		25, 625, 502. 51		103, 136, 947. 87
3. Balance due on account:								
Principal of awards—								
Agreement of Aug. 10, 1922	315	36, 144, 702. 14			17	129, 413. 87	298	36, 015, 288. 27
Agreement of Dec. 31, 1928	29	229, 609. 25	1	1, 200. 00	22	4, 149. 57	6	224, 259. 68
Interest to Jan. 1, 1928, at rates specified in awards—								
Agreement of Aug. 10, 1922		51, 858. 21				51, 858. 21		
Agreement of Dec. 31, 1928		1, 925. 13		250. 03		1, 675. 10		
Accrued interest at 5 per cent per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, to Sept. 30, 1932		16, 828, 896. 35		344. 08		44, 397. 14		16, 784, 155. 13
Balance due claimants as of Sept. 30, 1932		53, 256, 991. 08		1, 794. 11		231, 493. 89		53, 023, 703. 08

[3] Of this amount, $645,321.56 has been covered into the Treasury as miscellaneous receipts. A further sum of $197.95 will be covered into the Treasury at a later date.
[4] Of this amount, $24,150.09 has been paid to the Government of Germany. A further sum of $2,673.41 is payable in connection with the adjudication of late claims under the agreement of Dec. 31, 1928.

War Claims Arbiter

Under the settlement of war claims act of 1928 it was the duty of the War Claims Arbiter, within certain limitations, to hear the claims of the German, Austrian, and Hungarian nationals, and to determine the fair compensation to be paid by the United States for ships seized, patents sold or used by the United States, and a radio station sold to the United States.

On December 15, 1931, the arbiter completed his work and certified as final all of the tentative awards entered by him in favor of the German, Austrian, and Hungarian nationals.

Claims of German nationals.—The arbiter awarded as the value of 94 ships and 4 claims for personal property contained in such ships the sum of $74,252,933, of which $54,002,133 represented the value of the ships and property contained therein, and $20,250,800 represented simple interest at the rate of 5 per cent per annum from July 2, 1921, to December 31, 1928. There is included in the total amount awarded the sum of $523, representing the amount found due the members of the former ruling family of the German Government, which under the terms of the act is to be credited upon final payment due from Germany under the debt agreement of June 23, 1930. He also awarded as the value of 3,788 patents, 34 applications for patents, and 1 radio station, the sum of $9,079,830, on which simple interest at the rate of 5 per cent per annum from July 2, 1921, to December 31, 1928, was allowed in the amount of $3,405,558, or a total of $12,485,388. The total of awards entered by the arbiter in favor of German nationals under the settlement of war claims act on account of ships, patents, and 1 radio station was $86,738,321, including interest, an amount well within the limitation of $100,000,000 fixed by Congress as the maximum amount, including expenses of arbitration, to be allowed on account of such claims. Interest has accrued since December 31, 1928, on the amount due as of that date at the rate of 5 per cent per annum, but the amount of such interest was not included in the amount of the limitation fixed by Congress. Provision is made for the payment of such interest in accordance with the scheme of priorities specified in the settlement of war claims act of 1928.

As authorized by the settlement of war claims act, the Treasury during the past year authorized payment on account of these awards up to 50 per cent of the amount due as of December 31, 1928. Congress appropriated an amount sufficient to pay the awards in full, including interest up to December 31, 1928, 50 per cent of which was used to make payment on account of the awards entered by the arbiter in favor of German nationals, and the remaining 50 per cent was used to make payment on account of the awards entered by the Mixed Claims Commission in favor of American nationals in accordance with

the provisions of the act. Out of the $43,369,160 available for payment to the German nationals, the Treasury has disbursed on this account up to September 30, 1932, the sum of $43,368,212. Practically all of the payments made during the past year have been made in reichsmarks in accordance with the arrangements made with the German Government, which were explained in detail in the annual report for 1931.

The following summary statement shows the number and amount of awards in favor of German nationals certified to the Treasury for payment by the War Claims Arbiter and the payments made on account by the Treasury.

Number and amount of awards entered by the War Claims Arbiter on account of claims of German nationals against the United States for ships, patents, and a radio station, the amount paid, and balance due, as of September 30, 1932

	Total amount (315 awards)	Ships, amount (27 awards)	Patents and a radio station, amount (288 awards)
1. Amount awarded:			
Principal of awards	$63,081,963.09	$54,002,133.09	$9,079,830.00
Interest at 5 per cent per annum from July 2, 1921, to Dec. 31, 1928, both dates inclusive	23,656,357.74	20,250,799.91	3,405,557.83
Total amount due Dec. 31, 1928	86,738,320.83	74,252,933.00	12,485,387.83
Interest at 5 per cent per annum from Dec. 31, 1928, on total amount payable as of that date to Sept. 30, 1932	12,815,512.40	10,821,153.71	1,994,358.69
Total amount due	99,553,833.23	85,074,086.71	14,479,746.52
2. Payments made on account to Sept. 30, 1932:			
Principal of awards (50 per cent of amount due as of Dec. 31, 1928)	43,368,211.71	37,126,205.21	6,242,006.50
3. Balance due on account:			
Principal of awards [1]	43,370,109.12	37,126,727.79	6,243,381.33
Interest accrued at 5 per cent per annum from Dec. 31, 1928, on total amount payable as of that date to Sept. 30, 1932	12,815,512.40	10,821,153.71	1,994,358.69
Balance due	56,185,621.52	47,947,881.50	8,237,740.02

[1] Represents 50 per cent of amount due as of Dec. 31, 1928, on all awards except in the case of 1 award amounting to $1,375.07, on which the 50 per cent payment has not yet been made, and awards aggregating $522.58 entered in favor of members of the former ruling family of Germany on which no payments are to be made.

Claims of Austrian and Hungarian nationals.—The War Claims Arbiter awarded to Austrian nationals as the value of 194 patents the sum of $663,740, together with $248,948 of interest at the rate of 5 per cent per annum from July 2, 1921, to December 31, 1928, or a total of $912,688. The arbiter awarded to Hungarian nationals as the value of 30 patents the sum of $39,125, together with $14,675 of interest at the rate of 5 per cent per annum from July 2, 1921, to December 31, 1928, or a total of $53,800. The total amount of the awards, including interest to December 31, 1928, to the Austrian and Hungarian nationals was $966,488, which was within the maximum limitation, including the expenses of arbitration, of $1,000,000 fixed by Congress. Interest accrued after December 31, 1928, at the rate

of 5 per cent per annum but was not to be included in the amount of the limitation fixed by Congress.

Up to September 30, 1932, the Treasury made payments on account of 131 awards in favor of Austrian nationals in the amount of $898,387, together with interest of $146,070 since December 31, 1928, at the rate of 5 per cent per annum. There are three awards remaining unpaid, amounting to $14,301, together with interest from December 31, 1928, to September 30, 1932, in the amount of $2,678; no applications for these have as yet been received.

Under the provisions of the settlement of war claims act of 1928 the Secretary of the Treasury is prohibited from making any payments on account of awards entered by the arbiter in favor of Austrian or Hungarian nationals until those Governments have deposited in the Treasury a sufficient amount to make payments on account of the awards entered by the Tripartite Claims Commission in favor of American nationals against those Governments. The Austrian Government has made its deposits, but the Hungarian Government has not deposited sufficient funds to pay the awards entered against it by the Tripartite Claims Commission, and no payments can therefore be made to the nationals of that Government on account of the awards of the War Claims Arbiter until such funds have been deposited in the Treasury in accordance with the provisions of the act.

Expenses of administration.—The expenses of the office of the War Claims Arbiter from the beginning of the arbitration on April 3, 1928, to its close on December 15, 1931, amounted to $136,896. In accordance with the provisions of the settlement of war claims act, the arbiter allocated 83 per cent of such expenses, or $113,624, as applicable to the awards in favor of German nationals; 16 per cent, or $21,903, as applicable to the awards of the Austrian nationals; and 1 per cent, or $1,369, as applicable to the awards in favor of Hungarian nationals. These expenses were paid out of the German special deposit account as authorized by the settlement of war claims act, but that account has been reimbursed from the appropriations made by Congress for payment of those awards.

German special deposit account

On March 15, 1928, the Secretary of the Treasury, under authority contained in section 25 (b) of the trading with the enemy act, as amended by the settlement of war claims act of 1928, requested the Alien Property Custodian to invest the sum of $25,000,000 in a non-interest-bearing participating certificate, the amount representing an estimate of that portion of the so-called unallocated interest fund, as defined in section 28 of the trading with the enemy act, belonging to German nationals. Section 25 (b) authorizes an adjustment in the

participating certificate if it is determined by the Alien Property Custodian in allocating the interest fund to the various claimants that the amount of such certificate is in excess of the amount actually found to belong to the German nationals. The Alien Property Custodian advised the Treasury that according to the allocations made the sum of $25,000,000 originally invested was determined to be $2,500,000 in excess of the amount belonging to the German nationals and requested that this sum be returned to him from the German special deposit account. This has accordingly been done, and the noninterest-bearing participating certificate for $25,000,000 face amount has been reduced to $22,500,000.

In this connection, the Alien Property Custodian has requested the Treasury Department to reimburse the so-called unallocated interest fund from the German special deposit account for interest on the $2,500,000 belonging to claimants other than German nationals, these claimants having been deprived of such interest while their funds were invested in the noninterest-bearing participating certificate. The trading with the enemy act, as amended, however, does not provide for payment of interest on excess funds for the period held in the German special deposit account.

The Treasury believes that the claimants should be compensated for the loss of earnings during the time their funds were invested in the noninterest-bearing participating certificate so as to place them in the same position in which they would have been had their funds not been so invested. It is recommended, therefore, that Congress amend section 25 (b) of the trading with the enemy act, as amended, so as to authorize the Secretary of the Treasury, in connection with any adjustments made or to be made in the noninterest-bearing participating certificates because of the investment of funds in excess of the actual amount belonging to the German nationals, to pay interest on such excess for the period during which such funds were invested at a rate equivalent to that paid by the Alien Property Custodian on investments made by the Secretary of the Treasury of funds belonging to the Alien Property Custodian, and that the amount of such interest be paid from the German special deposit account in the Treasury. It is estimated that the total amount involved will not exceed $400,000.

The following statement shows the amounts deposited in the German special deposit account and the amounts paid therefrom up to September 30, 1932:

Statement showing the funds deposited in the German special deposit account and the payments made therefrom up to September 30, 1932

Receipts:			
From investments by Alien Property Custodian under trading with the enemy act, as amended—			
Unallocated interest fund (net)	$22, 500, 000. 00		
20 per cent German property retained	17, 552, 096. 91		
		$40, 052, 096. 91	
From Germany—			
2¼ per cent of Dawes' annuities available for reparations (Paris agreement of Jan. 14, 1925)	32, 183, 060. 87		
Under German-American debt agreement, June 23, 1930	19, 469, 964. 00		
Interest on payments postponed under terms of debt agreement dated June 23, 1930	363, 161. 64		
		52, 016, 186. 51	
Appropriation for ships, patents, and radio station		86, 738, 320. 83	
Earnings and profits on investments by Secretary of the Treasury		4, 035, 413. 00	
Total receipts available			$182, 842, 017. 25
Payments on account:			
Awards of the Mixed Claims Commission—			
Under agreement of Aug. 10, 1922	128, 458, 211. 01		
Under agreement of Dec. 31, 1928	5, 337, 926. 14		
		133, 796, 137. 15	
Awards of War Claims Arbiter—			
For ships	37, 126, 205. 21		
For patents and one radio station	6, 242, 006. 50		
		43, 368, 211. 71	

Payments on account—Continued.		
One-half of 1 per cent deducted from mixed claims payments covered into Treasury (an additional sum of $197.95 to be later covered into Treasury)	$645, 321. 56	
One-half of 1 per cent deducted from mixed claims payments on account of awards entered under agreement of Dec. 31, 1928 (act of June 21, 1930), and paid to Germany ($2,673.41 withheld but not paid)	24, 150. 09	
Advances to special fund, expenses of administration of the settlement of war claims act of 1928 (Office of the Secretary of the Treasury)	29, 175. 00	
		$177, 862, 995. 51
Balance in German special deposit account (including investments)		4, 979, 021. 74
Made up as follows:		
$4,447,000 face amount 3 per cent Treasury bonds of 1951–1955	Principal cost 4, 425, 098. 51	
$100,000 face amount of 3¾ per cent Treasury certificates, series TM 1933	100, 750. 00	
Cash balance	453, 173. 23	
		4, 979, 021. 74

Practically all of the above-mentioned balance, together with the balance of $22,447,903 authorized to be invested under section 25 of the trading with the enemy act, as amended, is reserved to make payment on account of any further awards which may be entered by the Mixed Claims Commission on account of the so-called sabotage cases now pending before that commission. In case no awards are entered on account of these pending cases, the combined amounts will be released for payment on account of other awards in accordance with the priorities established under the settlement of war claims act. A small portion of the balance is reserved to make payments on account of awards certified to the Treasury but for which properly executed applications have not been received.

Tripartite Claims Commission

Claims against Austria.—A full statement of the payments made to American nationals on account of the awards entered by the Tripartite Claims Commission against Austria was included in the annual reports for the fiscal years 1929, 1930, and 1931. In the annual report for 1931 it was stated that there were three unpaid awards amounting to $696.51. During the past year the Treasury has paid one of

these awards in the amount of $544.33, leaving two awards unpaid in the amount of $152.18.

Claims against Hungary.—As pointed out in previous reports, the Treasury has received from the Government of Hungary the amount of $8,250 in partial satisfaction of the awards entered by the Tripartite Claims Commission against Hungary in favor of American nationals. That Government expressed its willingness to make payment of the balance of the funds due, but on account of certain "most favored nation" clauses contained in its debt agreements with France and Italy, it felt it could not make the payment without first obtaining assurances that those governments would not claim similar payments under their debt agreements. The United States consulted those governments regarding the waiver of the "most-favored-nation" clauses. It received from the Government of Italy, over a year ago, the advice that Italy renounced the right to claim most-favored-nation treatment in the case under consideration, but the Government of France only recently advised the United States in the same sense. In the meantime the financial situation in Hungary had become so acute that it became necessary to suspend payments on Hungarian foreign debts and to put into effect strict foreign exchange regulations so that that government could control all foreign exchange transactions.

In view of these facts, Hungary has not been in a position up to this time to deposit a sufficient amount to pay these awards. As soon as the foreign exchange situation improves so that the Hungarian Government can release the control which it now finds necessary to exercise, the Treasury will again submit a request for payment of the amount due.

CONDITION OF THE TREASURY

The public debt

At the end of the fiscal year 1932 the gross public debt outstanding was $19,487,002,444 and showed an increase of $2,685,720,952. The following table shows the various classes of debt outstanding on June 30, 1931, and on June 30, 1932, and indicates the net change in the character of the debt resulting from the year's operations.

Changes in the public debt outstanding June 30, 1931 and 1932, by classes

[On basis of daily Treasury statements (unrevised), see p. 337]

	June 30, 1931	June 30, 1932	Increase (+) or decrease (−)
Interest-bearing debt:			
Regular issues—			
Pre-war bonds	$776, 154, 790	$789, 567, 390	+$13, 412, 600
Liberty bonds	8, 201, 746, 750	8, 201, 314, 550	−432, 200
Treasury bonds	4, 552, 621, 650	5, 258, 776, 100	+706, 154, 450
Total bonds	13, 530, 523, 190	14, 249, 658, 040	+719, 134, 850
Treasury notes	451, 718, 950	1, 261, 283, 600	+809, 564, 650
Certificates of indebtedness	1, 801, 777, 500	2, 725, 729, 900	+923, 952, 400
Treasury bills	444, 580, 000	615, 632, 000	+171, 052, 000
Total regular issues	16, 228, 599, 640	18, 852, 303, 540	+2, 623, 703, 900
Special issues for investment of trust funds—			
Treasury notes	169, 189, 000	203, 970, 000	+34, 781, 000
Certificates of indebtedness	121, 800, 000	105, 000, 000	−16, 800, 000
Total special issues	290, 989, 000	308, 970, 000	+17, 981, 000
Total interest-bearing debt	16, 519, 588, 640	19, 161, 273, 540	+2, 641, 684, 900
Matured debt on which interest has ceased	51, 819, 095	60, 079, 385	+8, 260, 290
Debt bearing no interest	229, 873, 757	265, 649, 519	+35, 775, 762
Total gross debt	16, 801, 281, 492	19, 487, 002, 444	+2, 685, 720, 952

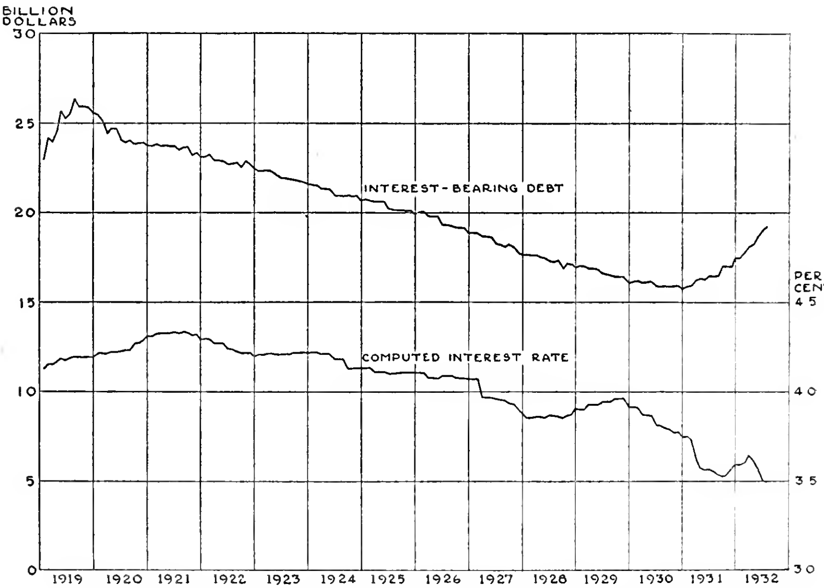

CHART 9.—Interest-bearing debt outstanding and ratio of the computed annual interest charge to the interest-bearing debt, by months, January, 1919, to June, 1932

During the year there were increases of $2,642,000,000 in the interest-bearing debt, $8,000,000 in the matured debt on which interest has ceased, and $36,000,000 in the debt bearing no interest. The increase in the interest-bearing debt was almost wholly in the regular, or open market, issues sold on public subscription; it reflected the deficit, but was due in part also to net payments from

credits established on account of the purchase by the Secretary of the Treasury of notes of the Reconstruction Finance Corporation (see p. 69), and to the further liquidation of securities from the adjusted service certificate fund.

The following summary shows the principal accounts through which the debt was retired from June 30, 1919, to June 30, 1932:

Summary of reduction in gross debt from June 30, 1919, to June 30, 1932 (with increases in 1931 and 1932)

[On basis of daily Treasury statements (unrevised), see p. 337]

	Fiscal years 1920–1930	Fiscal year 1931	Fiscal year 1932	Fiscal years 1920–1932
Gross debt outstanding:				
June 30, 1919	$25,484,506,160			$25,484,506,160
June 30, 1930	16,185,309,832	$16,185,309,832		
June 30, 1931		16,801,281,492	$16,801,281,492	
June 30, 1932			19,487,002,444	19,487,002,444
Increase		*615,971,660*	*2,685,720,952*	
Net reduction	9,299,196,328			5,997,503,716
Debt retirement chargeable to ordinary receipts:				
Cumulative sinking fund	3,187,468,300	391,660,000	412,554,750	3,991,683,050
From foreign governments—				
Cash repayments of principal	376,904,500	48,245,950		425,150,450
Bonds, etc., as principal	205,446,800			205,446,800
Bonds, etc., as interest	906,369,150			906,369,150
Total from foreign governments	1,488,720,450	48,245,950		1,536,966,400
Miscellaneous—				
Franchise tax receipts—				
Federal reserve banks	146,620,599	17,550		146,638,149
Federal intermediate credit banks	2,409,863	73,850	21,000	2,504,713
Estate tax	66,182,600		1,000	66,183,600
Gifts, forfeitures, etc.	15,224,282	84,650	53,000	15,361,932
Total miscellaneous	230,437,344	176,050	75,000	230,688,394
Total chargeable to ordinary receipts	4,906,626,094	440,082,000	412,629,750	5,759,337,844
Reduction in General Fund balance (debt reduced)	933,057,659		54,746,805	834,467,650
Increase in General Fund balance (debt increased)		*153,336,815*		
Debt retirement from surplus receipts	3,459,512,575			
Debt increase from deficit (excess of total expenditures)		*902,716,845*	*2,885,362,299*	*328,566,569*
Debt increase through net payments to the Reconstruction Finance Corporation [1]			*267,735,208*	*267,735,208*
Increase in outstanding debt		*615,971,660*	*2,685,720,952*	
Total reduction in outstanding debt	9,299,196,328			5,997,503,716

[1] From credits established on account of the purchase of notes; not chargeable to ordinary receipts; required by law to be charged to public debt account.

The course of the interest-bearing debt outstanding and of the computed rate of the interest charge on that debt for the fiscal years 1919 through 1932 is shown in Chart 9.

Between June 30, 1919, and June 30, 1930, the annual interest charge computed on the basis of the interest-bearing debt outstanding on those dates was reduced from $1,054,000,000 to $606,000,000, or almost $450,000,000, and the computed rate was reduced from 4.18

per cent on the former date to 3.81 per cent on the latter. By June 30, 1931, the charge had been reduced to about $589,000,000 and the computed rate to 3.57 per cent. By June 30, 1932, owing to the increase in the amount of the outstanding debt, the annual interest charge had increased to $672,000,000, whereas the computed rate had declined slightly, to 3.51 per cent.

A detailed account of public debt operations is presented in the section of this report beginning on page 56.

General Fund of the Treasury

All cash receipts of the Government are credited to the General Fund of the Treasury and all expenditures are made therefrom. The net balance of this fund represents the working cash balance required in connection with all receipts and expenditures of the Government. The net change in this balance from the close of the previous fiscal year is accounted for as follows:

Summary of the net changes in the General Fund balance between June 30, 1931, and June 30, 1932

[On basis of daily Treasury statements (unrevised), see p. 337]

		Amount
Net balance June 30, 1931		$471,943,983.32
Increase in public debt in the fiscal year 1932		2,685,720,952.42
Total to be accounted for		3,157,664,935.74
Excess of expenditures over ordinary receipts in the fiscal year 1932:		
General and special fund accounts[1]	$2,880,184,248.99	
Trust fund accounts[1]	5,178,050.03	
Total	2,885,362,299.02	
Less charges to statutory debt retirements in the fiscal year 1932	412,629,750.00	
Net, exclusive of statutory debt retirements		2,472,732,549.02
Payments on account of Reconstruction Finance Corporation[2]		267,735,208.55
Net balance June 30, 1932		417,197,178.17
Total		3,157,664,935.74

[1] For a description of accounts through which Treasury transactions are effected see p. 338.
[2] From credits established on account of the purchase of notes; required by law to be treated as public debt transactions.

The composition of the General Fund of the Treasury, existing liabilities against the assets in the fund, and the balance in excess of such liabilities are shown for June 30, 1931 and 1932, in the table on the following page. These figures are on the basis of the daily Treasury statements, unrevised (for explanation see page 337). Similar information is presented in somewhat greater detail, and on the basis of the daily Treasury statements, revised, in the table on page 427 of this report.

Current cash assets and liabilities of the Treasury,[1] June 30, 1931 and 1932, and changes during the year

[On basis of daily Treasury statements (unrevised), see p. 337]

	June 30, 1931	June 30, 1932	Increase (+), decrease (−)
Gold assets:			
Coin	$798, 176, 225. 02	$969, 695, 868. 33	+$171, 519, 643. 31
Bullion	2, 897, 560, 690. 98	1, 988, 384, 765. 29	−909, 175, 925. 69
Total	3, 695, 736, 916. 00	2, 958, 080, 633. 62	−737, 656, 282. 38
Deduct gold liabilities:			
Gold certificates	1, 701, 520, 889. 00	1, 490, 689, 469. 00	−210, 831, 420. 00
Gold fund, Federal Reserve Board	1, 776, 690, 377. 86	1, 235, 736, 771. 58	−540, 953, 606. 28
Gold reserve [2]	156, 039, 088. 03	156, 039, 088. 03	
Total	3, 634, 250, 354. 89	2, 882, 465, 328. 61	−751, 785, 026. 28
Gold in General Fund	61, 486, 561. 11	75, 615, 305. 01	+14, 128, 743. 90
Silver dollars	498, 497, 381. 00	501, 022, 733. 00	+2, 525, 352. 00
Deduct silver dollar liabilities:			
Silver certificates	493, 349, 026. 00	487, 216, 201. 00	−6, 132, 825. 00
Treasury notes of 1890 outstanding	1, 239, 750. 00	1, 222, 150. 00	−17, 600. 00
Total	494, 588, 776. 00	488, 438, 351. 00	−6, 150, 425. 00
Silver dollars in General Fund	3, 908, 605. 00	12, 584, 382. 00	+8, 675, 777. 00
General Fund assets:			
In Treasury offices—			
Gold (as above)	61, 486, 561. 11	75, 615, 305. 01	+14, 128, 743. 90
Silver dollars (as above)	3, 908, 605. 00	12, 584, 382. 00	+8, 675, 777. 00
All other (coin, currency, and bullion)	44, 809, 953. 80	51, 779, 428. 44	+6, 969, 474. 64
In depositary banks, reserve banks, and treasury of Philippine Islands	509, 307, 793. 65	463, 114, 540. 20	−46, 193, 253. 45
All other	794, 430. 90	994, 104. 86	+199, 673. 96
Total	620, 307, 344. 46	604, 087, 760. 51	−16, 219, 583. 95
Deduct General Fund liabilities:			
Federal reserve note 5 per cent fund (gold)	30, 166, 138. 13	59, 689, 661. 26	+29, 523, 523. 13
All other	118, 197, 223. 01	127, 200, 921. 08	+9, 003, 698. 07
Total	148, 363, 361. 14	186, 890, 582. 34	+38, 527, 221. 20
Balance in the General Fund of the Treasury	471, 943, 983. 32	417, 197, 178. 17	−54, 746, 805. 15

[1] For detailed statement, see p. 427.

[2] Reserve against $346,681,016 of United States notes, and Treasury notes of 1890 outstanding in the amount of $1,239,750 in 1931 and $1,222,150 in 1932. Treasury notes of 1890 are also secured by silver dollars in the Treasury.

The currency trust fund and the gold reserve fund

The respective amounts of gold coin and bullion and silver dollars held in the Treasury on June 30, 1932, against equal amounts of outstanding gold certificates, silver certificates, and Treasury notes of 1890, were as follows:

Gold coin and bullion	$1, 490, 689, 469
Silver dollars	487, 216, 201
Silver dollars, against Treasury notes of 1890	1, 222, 150

On June 30, 1932, the gold reserve against United States notes and Treasury notes of 1890 was $156,039,088. The United States notes, for which this reserve is held, are outstanding in the amount of $346,681,016, a sum which is fixed by law. When such notes are received they are reissued. The Treasury notes of 1890, for which this gold reserve is also held, were outstanding on June 30, 1932, in the amount of $1,222,150. When such notes are received they are retired.

Gold held for the Federal Reserve Board

The Treasury also holds in trust a large amount of gold for the account of the Federal Reserve Board. This is shown on the books of the Treasury as "Gold fund, Federal Reserve Board," and amounted on June 30, 1932, to $1,235,736,772, a decrease of $540,953,606 in the fiscal year. The fund is an aggregate of net deposits of gold made by the Federal reserve banks, principally for the purpose of effecting clearance settlements among themselves, and by the Federal reserve agents of gold received by them as part of the security against outstanding Federal reserve notes.

Against the gold in the General Fund, amounting on June 30, 1932, to $75,615,305, there was a liability of $59,689,661 for the 5 per cent gold fund maintained by the Federal reserve banks with the Treasurer of the United States for the redemption of Federal reserve notes; $1,088,640 notes in process of redemption are a charge against this amount.

Interest on Government deposits

Owing to conditions prevailing in the fiscal year 1931, as reflected in the relatively low rates paid by the Treasury on Government securities issued to the public during that year, the rate of interest required to be paid by Government depositary banks on deposits of public moneys was lowered, by three successive reductions, to one-half of 1 per cent. This rate, which was established on June 1, 1931, has been continued in force up to the present time.

PUBLIC DEBT OPERATIONS

General review of public debt operations

During the fiscal year 1932 there was an increase of $2,685,720,952 in the gross public debt. Gross public debt receipts and expenditures on all accounts, including exchanges and refunding, were $9,634,425,956 and $6,948,705,004, respectively.

In addition to providing for maturing debt, Treasury borrowing operations in the open market during the year reflected mainly (1) the excess of expenditures over ordinary receipts, and (2) the purchase of notes of the Reconstruction Finance Corporation.

The following summary shows, for the fiscal year 1932, the volume of issues and maturities of United States interest-bearing obligations sold on public subscription:

Class	Issues		Maturities	
	Number of issues	Amount	Number of issues	Amount
Treasury bonds (excluding postal savings)	1	$800, 424, 000		
Treasury notes	3	1, 261, 283, 600	1	$451, 716, 950
Treasury certificates of indebtedness	10	3, 051, 307, 050	6	2, 126, 356, 000
Treasury bills	33	2, 335, 649, 000	33	2, 164, 597, 000
Total	47	7, 448, 663, 650	40	4, 742, 669, 950

Aside from these open market operations, other public debt transactions included the issue and redemption of (1) special obligations connected with the investment of trust funds and postal savings, and (2) special one-day certificates to cover temporary advances by the Federal reserve banks at the time of the quarterly income tax payments, and transactions connected with the national bank circulation retirement fund.

The Treasury's financing is arranged by quarters, each covering the period from one quarterly income tax payment month to the next.[1] As in the past, funds to meet requirements during such quarterly periods were largely provided for in the financing on the quarterly tax-payment dates. Owing to the increased volume of borrowing, occasioned by declining revenues and emergency expenditures, and to the somewhat increased irregularity of the expenditures, the volume of financing between the quarterly income tax payment dates increased during the past fiscal year.

The following table presents a summary of the issues, maturities, and redemptions of interest-bearing United States securities, exclusive of trust fund and other special issues, by quarterly tax-payment periods from June, 1931, through October, 1932. Department circulars and public announcements covering public debt issues from November 9, 1932, to October 26, 1932, will be found as Exhibits 1 to 21, on pages 221 to 251 of this report.

[1] For fuller explanation, see the Annual Report of the Secretary of the Treasury, 1931, p. 40.

Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust fund and other special issues, June, 1931, through October, 1932

[On basis of daily Treasury statements (unrevised), see p. 337]

Date	Issue	Rate of interest [1]	Amount issued	Amount matured (or redeemed)
1931		Per cent		
June 1	Treasury bills maturing Aug. 31, 1931	0.849	$80,013,000	
15	Treasury bonds of 1946-1949	3⅛	821,406,000	
15	Certificates of indebtedness issued June 15, 1930	2⅞		$429,373,000
15	Certificates of indebtedness issued Dec. 15, 1930	1¾		159,941,000
July 1	Postal savings bonds, series 41	2½	4,415,140	
1	Postal savings bonds, series 1	2½		41,900
1	Treasury bills maturing Sept. 30, 1931	.631	50,026,000	
1	Treasury bills issued Apr. 2, 1931	1.465		50,427,000
2	Treasury bills maturing Sept. 30, 1931	.631	50,050,000	
2	Treasury bills issued Apr. 3, 1931	1.465		50,428,000
17	Treasury bills maturing Oct. 15, 1931	.489	51,200,000	
17	Treasury bills issued May 18, 1931	1.001		50,102,000
27	Treasury bills maturing Oct. 26, 1931	.456	51,806,000	
27	Treasury bills issued Apr. 27, 1931	1.330		53,510,000
Aug. 3	Treasury bills maturing Nov. 2, 1931	.511	59,850,000	
3	Treasury bills issued May 5, 1931	1.295		60,100,000
10	Treasury bills maturing Nov. 9, 1931	.560	60,005,000	
10	Treasury bills issued May 11, 1931	1.182		50,000,000
17	Treasury bills maturing Nov. 16, 1931	.631	60,280,000	
17	Treasury bills issued May 18, 1931	1.010		50,000,000
24	Treasury bills maturing Nov. 23, 1931	.586	60,001,000	
31	Treasury bills maturing Nov. 30, 1931	.616	80,019,000	
31	Treasury bills issued June 1, 1931	.849		80,013,000
	Miscellaneous redemptions before maturity			9,000
	Total, June through August		1,429,071,140	1,033,944,900
Sept. 15	Treasury bonds of 1951-1955	3	800,424,000	
15	Certificates of indebtedness maturing Sept. 15, 1932	1⅛	314,279,500	
15	Certificates of indebtedness issued Sept. 15, 1930	2⅜		334,211,000
15	Certificates of indebtedness issued Mar. 16, 1931	1½		300,176,000
30	Treasury bills maturing Dec. 30, 1931	1.217	100,761,000	
30	Treasury bills issued July 1, 1931	.631		50,026,000
30	Treasury bills issued July 2, 1931	.631		50,050,000
Oct. 15	Treasury bills maturing Jan. 13, 1932	2.384	51,641,000	
15	Treasury bills issued July 17, 1931	.489		51,200,000
26	Treasury bills maturing Jan. 25, 1932	2.687	51,338,000	
26	Treasury bills issued July 27, 1931	.456		51,806,000
Nov. 2	Treasury bills maturing Feb. 1, 1932	2.334	60,921,000	
2	Treasury bills issued Aug. 3, 1931	.511		59,850,000
9	Treasury bills maturing Feb. 8, 1932	2.009	75,173,000	
9	Treasury bills issued Aug. 10, 1931	.560		60,005,000
16	Treasury bills maturing Feb. 15, 1932	2.024	75,410,000	
16	Treasury bills issued Aug. 17, 1931	.631		60,280,000
23	Treasury bills maturing Feb. 24, 1932	2.281	60,082,000	
23	Treasury bills issued Aug. 24, 1931	.586		60,001,000
30	Treasury bills maturing Mar. 2, 1932	2.585	100,490,000	
30	Treasury bills issued Aug. 31, 1931	.616		80,019,000
	Miscellaneous redemptions before maturity			25,718,500
	Total, September through November		1,690,519,500	1,183,342,500
Dec. 15	Treasury notes, series 1932	3¼	600,446,200	
15	Certificates of indebtedness maturing June 15, 1932	2¾	324,578,500	
15	Certificates of indebtedness maturing Sept. 15, 1932	3	398,225,000	
15	Certificates of indebtedness issued Dec. 15, 1930	1⅞		268,381,000
15	Certificates of indebtedness issued Apr. 15, 1931	1⅞		275,118,000
15	Treasury notes, series C-1930-1932	3½		451,716,950
30	Treasury bills maturing Mar. 30, 1932	3.253	101,332,000	
30	Treasury bills issued Sept. 30, 1931	1.217		100,761,000
1932				
Jan.	Postal savings bonds, series 42	2½	9,456,740	
1	Postal savings bonds, series 2	2½		417,380
13	Treasury bills maturing Apr. 13, 1932	2.879	50,175,000	
13	Treasury bills issued Oct. 15, 1931	2.384		51,641,000
25	Treasury bills maturing Apr. 27, 1932	2.483	50,937,000	
25	Treasury bills issued Oct. 26, 1931	2.687		51,338,000
Feb. 1	Certificates of indebtedness maturing Aug. 1, 1932	3⅛	227,631,000	
1	Certificates of indebtedness maturing Feb. 1, 1933	3¾	144,372,000	
1	Treasury bills issued Nov. 2, 1931	2.334		60,921,000
8	Treasury bills maturing May 11, 1932	2.655	76,399,000	
8	Treasury bills issued Nov. 9, 1931	2.009		75,173,000
15	Treasury bills maturing May 18, 1932	2.761	75,689,000	
15	Treasury bills issued Nov. 16, 1931	2.024		75,410,000
24	Treasury bills maturing May 25, 1932	2.709	62,851,000	
24	Treasury bills issued Nov. 23, 1931	2.281		60,082,000
	Miscellaneous redemptions before maturity			11,705,700
	Total, December through February		2,122,092,440	1,482,665,030

[1] For Treasury bills, average rates on a bank discount basis are shown.

Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust fund and other special issues, June, 1931, through October, 1932—Continued

Date	Issue	Rate of interest [1]	Amount issued	Amount matured (or redeemed)
1932		Per cent		
Mar. 2	Treasury bills maturing June 1, 1932	2.495	$101,412,000	
2	Treasury bills issued Nov. 30, 1931	2.585		$100,490,000
15	Certificates of indebtedness maturing Oct. 15, 1932	3⅛	333,492,500	
15	Certificates of indebtedness maturing Mar. 15, 1933	3¾	660,715,500	
15	do	2	34,959,550	
15	Certificates of indebtedness issued Mar. 15, 1931	2		623,891,500
30	Treasury bills maturing June 29, 1932	2.079	102,169,000	
30	Treasury bills issued Dec. 30, 1931	3.253		101,332,000
Apr. 13	Treasury bills maturing July 13, 1932	1.049	76,200,000	
13	Treasury bills issued Jan. 13, 1932	2.879		50,175,000
20	Treasury bills maturing July 20, 1932	.621	75,600,000	
27	Treasury bills maturing July 27, 1932	.630	51,550,000	
27	Treasury bills issued Jan. 25, 1932	2.483		50,937,000
May 2	Treasury notes, series A-1934	3	244,234,600	
2	Certificates of indebtedness maturing May 2, 1933	2	239,197,000	
11	Treasury bills maturing Aug. 10, 1932	.676	76,744,000	
11	Treasury bills issued Feb. 8, 1932	2.655		76,399,000
18	Treasury bills maturing Aug. 17, 1932	.425	75,000,000	
18	Treasury bills issued Feb. 15, 1932	2.761		75,689,000
25	Treasury bills maturing Aug. 24, 1932	.289	60,050,000	
25	Treasury bills issued Feb. 24, 1932	2.709		62,851,000
	Miscellaneous redemptions before maturity			30,125,400
	Total, March through May		2,131,324,150	1,171,889,900
June 1	Treasury bills maturing Aug. 31, 1932	.321	100,022,000	
1	Treasury bills issued Mar. 2, 1932	2.495		101,412,000
15	Treasury notes, series A-1935	3	416,602,800	
15	Certificates of indebtedness maturing June 15, 1933	1½	373,856,500	
15	Certificates of indebtedness issued Dec. 15, 1931	2¾		324,578,500
29	Treasury bills maturing Sept, 28, 1932	.408	100,466,000	
29	Treasury bills issued Mar. 30, 1932	2.079		102,169,000
July 1	Postal savings bonds, series 43	2½	8,060,960	
1	Postal savings bonds, series 3	2½		854,860
13	Treasury bills maturing Oct. 11, 1932	.385	75,278,000	
13	Treasury bills issued Apr. 13, 1932	1.049		76,200,000
20	Treasury bills maturing Oct. 19, 1932	.400	75,923,000	
20	Treasury bills issued Apr. 20, 1932	.621		75,600,000
27	Treasury bills maturing Oct. 26, 1932	.466	83,317,000	
27	Treasury bills issued Apr. 27, 1932	.630		51,550,000
Aug. 1	Treasury notes, series B-1934	2⅛	345,292,600	
1	Treasury notes, series A-1936	3¼	365,138,000	
1	Certificates of indebtedness issued Feb. 1, 1932	3⅛		227,631,000
10	Treasury bills maturing Nov. 9, 1932	.529	75,217,000	
10	Treasury bills issued May 11, 1932	.676		76,744,000
17	Treasury bills maturing Nov. 16, 1932	.485	75,016,000	
17	Treasury bills issued May 18, 1932	.425		75,000,000
24	Treasury bills maturing Nov. 23, 1932	.419	62,350,000	
24	Treasury bills issued May 25, 1932	.289		60,050,000
31	Treasury bills maturing Nov. 30, 1932	.325	100,500,000	
31	Treasury bills issued June 1, 1932	.321		100,022,000
	Miscellaneous redemptions before maturity			28,399,150
	Total, June through August		2,257,039,860	1,300,210,510
Sept. 15	Treasury notes, series A-1937	3¼	834,401,500	
15	Certificates of indebtedness maturing Sept. 15, 1933	1¼	451,447,000	
15	Certificates of indebtedness issued Sept. 15, 1931	1⅛		314,279,500
15	Certificates of indebtedness issued Dec. 15, 1931	3		398,225,000
28	Treasury bills maturing Dec. 28, 1932	.233	100,665,000	
28	Treasury bills issued June 29, 1932	.408		100,466,000
Oct. 11	Treasury bills maturing Jan. 11, 1933	.192	75,954,000	
11	Treasury bills issued July 13, 1932	.385		50,278,000
15	Treasury notes, series B-1937	3	508,328,900	
15	Certificates of indebtedness issued Mar. 15, 1932	3⅛		333,492,500
19	Treasury bills maturing Jan. 18, 1933	.140	75,110,000	
19	Treasury bills issued July 20, 1932	.400		75,923,000
26	Treasury bills maturing Jan. 25, 1933	.195	80,295,000	
26	Treasury bills issued July 27, 1932	.466		83,317,000
	Miscellaneous redemptions before maturity			25,073,450
	Total, September and October		2,126,201,400	1,381,054,450

[1] For Treasury bills, average rates on a bank discount basis are shown.

Operations, June through August, 1931.—At the beginning of the fiscal year 1932 the gross public debt aggregated $16,801,000,000, and the net balance in the General Fund of the Treasury amounted to about $472,000,000, representing chiefly funds to the credit of the Treasury in depositary banks. This balance had been made available largely as a result of a considerable excess of ordinary receipts over expenditures during the month of June, and through the sale on June 1 of $80,000,000 of Treasury bills and on June 15 of $821,000,000 of 3⅛ per cent Treasury bonds of 1946–1949, the latter issue more than offsetting payments on account of two issues of certificates aggregating $589,000,000 which matured on the same day.

Financing during July and August included the issuance on July 1 of $4,000,000 of postal savings bonds of the forty-first series; the redemption on the same date of the first series of postal savings bonds, issued July 1, 1911, in the amount of $41,900; and the issuance of Treasury bills throughout the period largely to retire maturing issues of bills. Eight issues of maturing Treasury bills aggregating $445,000,000 were met through the sale, at lower rates, of new bills in the amount of $463,000,000. An additional issue of Treasury bills in the amount of $60,000,000 on August 24 accounted largely for the increase of $63,000,000 in the public debt between the end of June and the end of August. Current expenditures in July and August were in excess of receipts, and the General Fund balance was reduced from $472,000,000 at the end of June to $134,000,000 at the end of August.

Operations, September through November, 1931.—For the period September through November, expenditures chargeable against ordinary receipts amounted to $1,066,000,000, including the purchase of $26,000,000 of 3⅜ per cent Treasury bonds for the sinking fund. Moreover, it was necessary to provide for net redemptions of special trust fund securities in the amount of $53,000,000 during the period, including chiefly securities from the adjusted service certificate fund in connection with increased loans to veterans, and for maturing open market security issues (i. e., issues other than special trust fund securities) in the amount of $1,158,000,000. The latter included two series of certificates of indebtedness maturing on September 15 in the amount of $634,000,000, and nine series of Treasury bills aggregating $523,000,000. To meet these requirements, totaling about $2,280,000,000, ordinary receipts in the amount of $610,000,000 were supplemented by the sale of new securities on public subscription in the amount of $1,691,000,000; the balance in the Treasury's General Fund showed little change for the period. The new issues included $800,000,000 of Treasury bonds of 1951–1955 bearing 3 per cent interest, the lowest rate at which United States bonds have been issued on public subscription during the past 20 years; $314,000,000 of one-year 1⅛ per cent certificates of indebtedness, both dated September 15, 1931; and eight series of Treasury bills aggregating $576,000,000 sold

throughout the period to meet maturing issues of bills aggregating $523,000,000.

New issues of securities from September through November exceeded debt retirements during the period, including net redemptions of special securities and the purchase of securities for the sinking fund, and the total outstanding indebtedness showed an increase for the quarter of $446,000,000.

Operations, December, 1931, through February, 1932.—During the quarter extending from the beginning of December, 1931, to the end of February, 1932, expenditures chargeable against ordinary receipts were $1,466,000,000, including about $330,000,000 of debt retirements for the sinking fund and also initial payments on the Government's subscription to the capital stock of the Reconstruction Finance Corporation and to additional capital stock for the Federal land banks amounting to $67,000,000 and $63,000,000, respectively. On December 15 two series of certificates of indebtedness, amounting to $543,000,000, matured, and 3½ per cent Treasury notes, Series C–1930–1932, amounting to $452,000,000, were due for retirement, having previously been called for redemption. In addition seven series of Treasury bills, aggregating $475,000,000, were payable during the period; and $417,380 of postal savings bonds of the second series matured on January 1. Except for $318,000,000 of maturing obligations retired for the sinking fund in December, these maturities had to be provided for in the financing for the period. Total requirements thus amounted to more than $2,600,000,000. Ordinary receipts for the period were $547,000,000. Requirements in excess of these receipts were more than covered by new issues of securities and the General Fund balance showed an increase of more than $200,000,000 for the three months ending February 29, 1932.

To meet the maturities of $995,000,000 on December 15, and to place the Treasury in funds for other purposes, $1,323,000,000 was borrowed on that date through the sale of $600,000,000 of 1-year 3¼ per cent Treasury notes, and $723,000,000 of certificates of indebtedness in two series, one for six months at 2¾ per cent and the other for nine months at 3 per cent. The forty-second series of postal savings bonds was issued on January 1, 1932, for $9,500,000.

In order to provide funds to meet initial requirements for the Government's emergency program and to provide for the payment of $61,000,000 of maturing Treasury bills two series of certificates of indebtedness were sold on February 1. A 6-month series bearing 3⅛ per cent interest was issued in the amount of $228,000,000, and a 1-year series bearing 3¾ per cent interest in the amount of $144,000,000. Six series of Treasury bills, amounting to $417,000,000, were sold at intervals to meet maturing issues in approximately the same volume.

United States securities sold on public offering from December, 1931, through February, 1932, aggregated $2,122,000,000, as compared with open market retirements of $1,483,000,000, including about $12,000,000 of bonds, chiefly 3⅜ per cent Treasury bonds, purchased for the sinking fund in December. A net increase of $141,000,000 in the outstanding trust fund securities represented chiefly the excess of new issues for the adjusted service certificate fund over redemptions from the fund. During the quarter ended February the gross public debt showed an increase of $816,000,000.

Operations, March through May, 1932.—During the quarter covering the months of March through May, 1932, expenditures chargeable against ordinary receipts were $1,377,000,000. This amount included $433,000,000 in completion of payments on account of the Government's subscription to the capital stock of the Reconstruction Finance Corporation but did not include $23,000,000 representing net payments from credit established for the Reconstruction Finance Corporation through the purchase of its obligations which, as provided by law, are treated as public debt transactions and not as charges against ordinary receipts. Two per cent certificates of indebtedness, outstanding in amount $624,000,000, matured on March 15, and seven series of Treasury bills, amounting to $518,000,000 became due on various dates, so that public maturities in the open market totaled $1,142,000,000. In addition, a further $30,000,000 of bonds, chiefly 3⅜ per cent Treasury bonds, was purchased for the sinking fund, and there were net redemptions of trust fund securities, chiefly from the adjusted service certificate fund, in the amount of $51,000,000. Total requirements for the period thus aggregated nearly $2,600,-000,000.

These requirements for funds were met in part from ordinary receipts which totaled $466,000,000 and in part through the issuance of new securities in the open market, the General Fund balance in the Treasury showing practically no change for the period.

Two series of certificates of indebtedness were issued for March 15, one a 7-month 3⅛ per cent series for $333,000,000 and the other a 12-month 3¾ per cent series for $661,000,000. There were also issued $34,959,550 of special 1-year 2 per cent certificates in connection with the President's campaign against currency hoarding (for information regarding this series see p. 69).

With the increasing ease in credit and money market conditions in the late spring of 1932, it was feasible to lengthen the maturity of new issues, which had not exceeded 12 months since the bond issue of September, 1931. Accordingly, securities sold at the beginning of May included $244,000,000 of 2-year 3 per cent Treasury notes. Other issues during the period included a series of 1-year 2 per cent certificates of indebtedness, in the amount of $239,000,000 and eight series of Treasury bills, aggregating $619,000,000.

The sale of United States securities during the period thus totaled about \$2,131,000,000 and the excess over redemptions was reflected in an increase of \$911,000,000 in the outstanding public debt.

Operations, June through August, 1932.—During the three months, June through August, 1932, expenditures chargeable against ordinary receipts were \$1,048,000,000, and maturing open market issues of securities aggregated \$1,272,000,000, so that funds in the amount of \$2,320,000,000 were required for the period. In addition, it was necessary to finance about \$510,000,000 of payments against credits established for the Reconstruction Finance Corporation through the purchase of its notes which, as already brought out, are not chargeable against ordinary receipts. Ordinary receipts of \$456,000,000 for the three months were supplemented by the sale of nearly \$2,260,000,000 of new issues, and there was a net increase of \$73,000,000 in special fund securities. The General Fund balance showed a decrease of about \$45,000,000 and the outstanding indebtedness an increase of \$1,030,000,000 during the period.

Maturities in June included \$325,000,000 of 2¾ per cent certificates of indebtedness and two issues of Treasury bills, amounting to \$204,000,000. To meet these maturities about \$990,000,000 of new issues were sold, including \$417,000,000 of 3-year 3 per cent Treasury notes, \$374,000,000 of 1-year 1½ per cent certificates of indebtedness, and two issues of Treasury bills amounting to \$200,000,000. On June 30, 1932, the total debt at \$19,487,000,000 showed an increase of \$2,686,000,000 for the year.

In July and August seven issues of Treasury bills aggregating nearly \$550,000,000 were sold largely to meet maturing bills totaling \$515,000,000. On August 1 two series of Treasury notes were issued, \$365,000,000 bearing interest at 3¼ per cent with maturity of four years, and \$345,000,000 bearing interest at 2⅝ per cent with maturity of two years. These issues provided funds to cover \$228,000,000 of 3⅛ per cent certificates of indebtedness maturing on August 1 and for other Treasury requirements during the period.

Issues in September and October, 1932.—Financing in September included the issuance on September 15 of \$834,000,000 of 5-year notes bearing a rate of 3¼ per cent. In addition, \$451,000,000 of 1-year 1¼ per cent certificates of indebtedness were issued at the same time. On October 15, \$508,000,000 of 3 per cent Treasury notes with a maturity of four and a half years were issued. The proceeds of new issues of United States obligations sold in September and October were in part absorbed by maturing issues including two issues of certificates, aggregating \$713,000,000, which matured on September 15, and \$333,000,000 of certificates which matured on October 15. These and other issues and maturities in September and October, 1932, are summarized in the table on page 58.

Credit and money market conditions

During the fiscal year 1932 accelerated decline in industry, trade, commodity prices and all values was accompanied by progressive liquidation of bank credit, which was particularly rapid in the last quarter of the calendar year 1931 and the first two months of 1932. During the summer and autumn of 1931 difficulties which are characteristic of a period of heavy liquidation were greatly aggravated by repercussions from financial crises abroad, which increased the strain upon our own monetary and credit structure. During the fiscal year 1932 the resources of the Federal reserve banks were brought to the support of the country's banking system. Unprecedented demands upon our gold stock following the suspension of the gold standard in England in September, together with a continued domestic withdrawal of currency, chiefly for hoarding, were met by the reserve banks through discount and open market operations, but nevertheless the pressure upon our banking system was reflected in firm conditions in the money market at the end of 1931 and the beginning of 1932. After the turn of the year as constructive and remedial measures were formulated and brought into operation and as the Federal reserve system at the end of February engaged in open market purchases of United States securities on a large scale, money market conditions became easier. Reserve bank rates, which had been increased during the autumn of 1931, were again reduced, as money rates in the open market declined. By the middle of September, 1932, short-term money rates in the open market were again at the low levels reached in the previous summer.

During the first nine months of the calendar year 1931 a heavy inward movement of gold from abroad somewhat more than offset an increase in the volume of money in circulation, occasioned by continued currency hoarding. Reserve balances of member banks showed little change during this period, but a decrease in reserve requirements, on account of a decrease in their deposits, produced an improvement in their reserve position, so that in the middle of September, 1931, they had reserves considerably in excess of legal requirements. During this period the Federal reserve system pursued a policy of furthering the development of easier credit conditions.

Under these conditions, inactive demand for credit offering prime security was accompanied by a sharp decline in the cost of short-term money on prime collateral, as indicated in Chart 10. Rates both to borrowers in the open market and on loans direct to bank customers declined to unusually low levels in the summer of 1931. The availability of credit except to borrowers of the highest credit rating was limited, however, reflecting the cumulative pressure on banks as a result of increasing withdrawals of currency by depositors,

and the effects of a continued decline in security and commodity values and in business activity.

The suspension of the gold standard by Great Britain on September 21, 1931, was followed by complete or partial suspension of free gold operations in many other countries, and by heavy gold withdrawals from this country and acceleration in the domestic withdrawal of currency for hoarding which resulted in an extraordinarily heavy drain on the reserve funds of our banking system. The outward movement of gold, which was temporarily reversed at the end of 1931, was resumed again in the early months of 1932 and became especially large in May and June. At the end of June the total gold stock showed a decline of $1,100,000,000 from the middle of September, 1931. During this same period there was a further net increase in the demand for currency, reflecting chiefly withdrawals for hoarding. The increase in hoarding, however, was not continuous throughout the period, but was concentrated largely in late September and early October of 1931, in a few weeks before and after the end of the year, and in June of 1932. There were releases from hoards in November and early December, 1931, and again in late February and March, 1932. From September, 1931, to June, 1932, the increase in the demand for currency amounted to $560,000,000. Thus the total drain on the reserve funds of our banking system from September to June on account of the outward movement of gold and the increased domestic demand for currency aggregated $1,660,000,000.

The larger part of this demand was met by a net increase during the period as a whole of $1,060,000,000 in the volume of reserve bank credit outstanding in the form of United States Government securities purchased by the reserve banks in the open market. It was not until February, 1932, however, that reserve bank holdings of Government securities increased in substantial volume; prior to that time there was a considerable growth in the volume of member bank borrowings at the Federal reserve banks and this was a factor in causing firmer conditions in the money market. Short-term rates in the open market rose abruptly in the autumn from the exceptionally low level of the summer of 1931 and remained relatively firm throughout most of the winter of 1931–32, as shown in Chart 10.

Reserve bank purchases of United States Government securities in the open market following the passage of the Glass-Steagall Act not only offset heavy gold exports up to the middle of June, 1932, but enabled member banks to reduce their indebtedness at reserve banks and resulted in an increase in their reserve balances. Following temporary interruption in June and July, the return flow of currency from hoarding was resumed. The gold movement was reversed in June, and between the middle of that month and the end of September, 1932, the total monetary stock of gold increased by nearly

$300,000,000. During this period there was a further reduction in the volume of member bank borrowing at reserve banks and further increase in member bank reserve balances. In September the latter exceeded the legal requirements by more than $350,000,000.

Under these conditions, short-term money rates in the open market again declined to unusually low levels. By September 90-day acceptances were quoted in the open market at three-fourths of 1 per cent as compared with 3 per cent at the end of the calendar year 1931, and seven-eighths of 1 per cent in the summer of 1931. Prime commercial

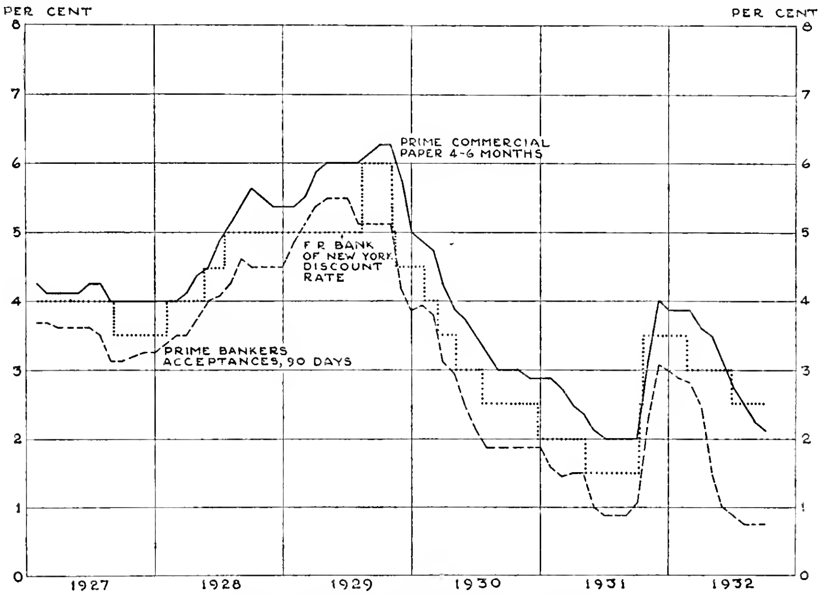

CHART 10.—Money rates—New York discount rate, and open market rates on commercial paper and acceptances, calendar years 1927 to 1932

paper was quoted at 2–2¼ per cent as compared with 3¾-4 per cent at the end of 1931 and 2 per cent in the summer of that year.

The yield on long-term bonds had remained relatively constant through the first half of the calendar year 1931 and then increased sharply at the end of the year and again in the spring and early summer of 1932, reflecting in part heavy liquidation in the security markets. Sharp decline in June, July, and August, 1932, more than offset the increases earlier in the year.

Cost of Government borrowing

As outlined in the preceding paragraphs, conditions in the money market were firm at the end of the calendar year 1931 and early in 1932 but became progressively easier after February, particularly as affecting short-term open market rates. Rates on new Government

issues with maturities up to one year followed this general trend, as indicated in Chart 11 showing the rates at which Treasury bills (with maturities up to 93 days) and certificates of indebtedness [2] (with maturities up to 12 months) were issued during 1931 and 1932. Since rates on Treasury bills are determined by competitive bidding, and the bills are for shorter maturity than any other form of United States securities sold in the open market, the correspondence between short-term open market rates and rates on new Treasury issues is most marked for these securities.

In considering the chart it should be borne in mind that for a given date the relative position of the rates on new issues with different

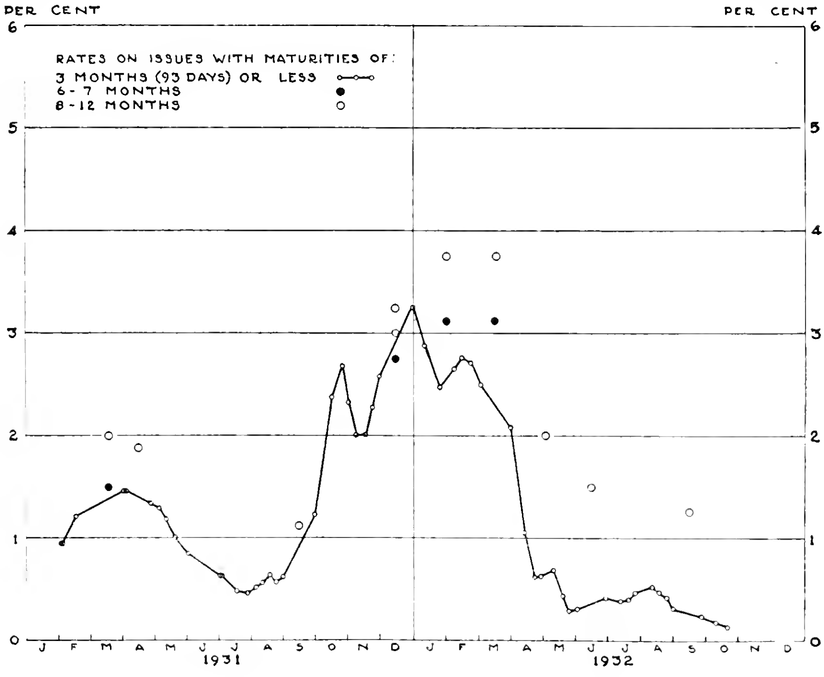

CHART 11.—Rates on Treasury short-term obligations issued during the calendar years 1931 and 1932

maturities depends upon conditions prevailing in the market for United States securities. Rates on new issues of Treasury bills were below rates at which certificates (of longer maturity) were issued during the period covered by the chart. In view of the already large amount of early maturities outstanding, however, the issuance of securities of longer maturity as conditions warranted, even at somewhat higher rates, was in the interest of sound and orderly management of the public debt. Beginning in May, 1932, Treasury notes with maturities from two to five years, bearing interest at rates ranging from 2⅛ to 3¼ per cent, were sold in large volume.

[2] The one-year 3¼ per cent Treasury notes, issued in December, are included in the chart.

There were marked changes in the rates on new Government short-term issues during the fiscal year. By the early autumn of 1931 rates on new issues of short-term Government obligations reached unusually low levels, following steady decline during a period of more than two years. Certificates of indebtedness sold on September 15, 1931, bore a rate of 1⅛ per cent, the lowest at which such certificates have ever been issued, as compared with 5⅛ per cent on the issue of June 15, 1929; and Treasury bills were sold in the summer of 1931 at a bank discount rate of approximately one-half of 1 per cent, as compared with a rate of about 3¼ per cent for the first issue of Treasury bills, which was sold in December, 1929. Firmer conditions in the money market after September, 1931, were reflected in an advance in the rates on new issues of Treasury short-term obligations. On December 15, 1931, certificates with maturities of six and nine months were sold at 2¾ and 3 per cent, respectively, and an issue of 1-year Treasury notes carried a rate of 3¼ per cent. One-year certificates were issued on February 1 and March 15, 1932, bearing a rate of 3¾ per cent. The rates at which certificates were issued declined subsequently and on September 15, 1932, a 1-year issue was sold bearing a rate of 1¼ per cent. Rates on Treasury bills also advanced sharply in the autumn of 1931, and the issue of December 30 was sold at a bank discount rate of about 3¼ per cent. Declining rapidly after the opening months of 1932, the rate on new issues of Treasury bills in the latter part of the fiscal year 1932 reached the low level of a year earlier, and by October, bills were sold at bank discount rates of less than one-fourth of 1 per cent.

During the period of marked firmness in the autumn of 1931 and the early part of 1932, Treasury financing was confined to issues maturing in 12 months or less. As the market for United States Government obligations strengthened in the spring and summer of 1932, the Treasury was readily able to dispose of a large volume of securities with intermediate maturities. On May 2, 1932, the Treasury sold $244,000,000 of 3 per cent Treasury notes with a maturity of two years, and on June 15, $417,000,000 of notes bearing the same rate of interest, but with a maturity of three years. On August 1, $345,000,000 of 2⅛ per cent Treasury notes and $365,000,000 of 3¼ per cent Treasury notes were sold with maturities of two and four years, respectively, and on September 15, $834,000,000 of Treasury notes were sold, again at a rate of 3¼ per cent but with a maturity of five years. By October 15, the Treasury was able to to issue $508,000,000 of Treasury notes with a maturity of four and a half years at 3 per cent, the same rate which had been carried by the smaller May issue of 2-year notes.

Treasury notes

The last of the three series of three–five year, 3½ per cent Treasury notes issued in connection with the refunding of the second and third Liberty loans, was called, on June 8, 1931, for redemption during the fiscal year 1932. Series A–1930–1932 issued in the amount of $1,360,456,450 on March 15, 1927, and Series B–1930–1932 issued in the amount of $619,495,700 on September 15, 1927, had been called for redemption on March 15, 1931. Series C, issued in the amount of $607,399,650 on January 16, 1928, was called for redemption on December 15, 1931. About $452,000,000 of the latter issue were outstanding on that date and of the amount then presented for retirement $318,000,000 were redeemed for account of the cumulative sinking fund.

The series of 1-year 3¼ per cent notes sold in December, 1931, represented the first issue of Treasury notes, since the issue of the 3¾ per cent Victory Liberty loan notes in 1919, made fully tax-exempt (except as to estate and inheritance taxes), under the discretion given by the Victory Liberty loan act as regards tax exemption of Treasury notes. Full tax exemption (except as to estate and inheritance taxes) was also accorded the six additional series of Treasury notes sold from May 2 to October 15, 1932.

Special Treasury certificates

As a part of the campaign initiated by the President to promote the release of hoarded currency, the Treasury offered on March 5 a special Treasury certificate, dated March 15, 1932, due in 1 year but redeemable at the option of the holders on 60 days' advance notice, and bearing interest at the rate of 2 per cent per annum. This offering was for the purpose of making available an interest-bearing security, readily convertible into cash, to those who otherwise might withhold currency from deposit or other active use. It was intended to supplement and not replace other credit facilities, and no effort was made to promote the sale of these certificates. They were not a part of the Treasury's regular financing. The sale of these certificates terminated on April 13, 1932. The total amount sold was $34,959,550. Further details of this issue will be found in Exhibits 5 and 6 on pages 228 and 230 of this report.

Reconstruction Finance Corporation

The Reconstruction Finance Corporation was created by the act approved January 22, 1932, with a capital stock of $500,000,000 to be fully subscribed by the United States. As amended by the emergency relief and construction act, approved July 21, 1932, this legislation authorized the corporation, with the approval of the

Secretary of the Treasury, to issue and have outstanding at any one time its notes, debentures, bonds, or other such obligations, guaranteed by the United States, in an amount not to exceed $3,300,000,000. The Secretary of the Treasury is authorized to purchase, in his discretion, any obligations of the corporation, and the law provides that purchases and sales of such obligations by the Treasury shall be treated as public debt transactions of the United States.

In accordance with the law, the Secretary of the Treasury, on behalf of the United States, subscribed to the capital stock of the corporation in the amount of $500,000,000. This amount constituted a charge against the ordinary receipts of the Government and was therefore reflected in the Budget for the fiscal year 1932. In addition to the subscription to the capital stock the Secretary of the Treasury purchased, up to June 30, 1932, interim notes of the corporation in the face amount of $350,000,000, bearing interest at the rate of 3½ per cent per annum and maturing October 27, 1932. Thus funds in the amount of $850,000,000 were made available to the corporation up to the end of the fiscal year.

The funds of the corporation are credited to its account with the Treasury and payments are made by means of checks drawn on the Treasurer of the United States. The total net payments made by the Treasurer on account of checks drawn by the corporation up to June 30, 1932, amounted to $767,735,208, of which $267,735,208 represented payments from credits established through the purchase of notes.

From the close of the fiscal year to October 31, 1932, the Secretary of the Treasury purchased additional 3½ per cent interim notes of the corporation, originally maturing October 27, 1932, and renewed for a further period of six months, in the face amount of $325,000,000, making a total amount of $1,175,000,000 available to the corporation since its organization. Net payments by the Treasurer of the United States on account of checks drawn by the corporation to October 31, 1932, aggregated $1,131,587,868. In accordance with the law, payments against credits established through the purchase of the corporation's notes by the Treasury were treated as public debt transactions, not chargeable against ordinary receipts.

Obligations of the corporation maturing October 27, 1932, in the face amount of $675,000,000, were renewed for the period ending April 30, 1933, at a rate of 3½ per cent per annum. Interest in the amount of $7,608,904 was paid on October 27, 1932, by the corporation on its notes maturing that day, which has been deposited in the Treasury as miscellaneous receipts.

The account of the corporation on the books of the Treasury as of October 31, 1932, was as follows:

Capital stock paid in	$500,000,000
3½ per cent series A notes dated Oct. 27, 1932, maturing Apr. 30, 1933	675,000,000
Total funds available	1,175,000,000
Balances with the Treasurer of the United States on Oct. 31, 1932	43,412,132
Net payments made by the Treasurer up to Oct. 31, 1932	1,131,587,868

Adjusted service securities

The financing operations of the Treasury during the fiscal year reflected the continued operations of the act of February 27, 1931, which authorized loans to veterans on their adjusted service certificates up to 50 per cent of the face value of such certificates. During the year the Treasury redeemed $216,800,000 face amount of the securities held in the adjusted service certificate fund in order to provide funds for authorized payments, which consisted largely of loans to veterans. A statement of the adjusted service certificate fund appears on page 107 of this report.

Cumulative sinking fund

The indefinite appropriation available for the sinking fund during the fiscal year 1932, including a small unexpended balance for the prior year, was $410,850,121. Bonds totaling $94,554,750, face amount, were purchased at a total principal cost of $92,850,074; and $318,000,000 face amount of 3½ per cent Treasury notes of series C–1930–1932, called for redemption on December 15, 1931, were redeemed for account of the fund. Tables covering the transactions on account of the cumulative sinking fund for the fiscal year 1932, and from its inception on July 1, 1920, will be found on pages 424 to 425 of this report.

EXTENSION OF THE CIRCULATION PRIVILEGE TO ADDITIONAL UNITED STATES BONDS

Section 29 of the Federal home loan bank act, approved July 22, 1932, made all bonds of the United States Government bearing interest at a rate not in excess of 3⅜ per cent eligible as security for national bank notes for a period of three years. At the time of the enactment of this law only the following three issues of 2 per cent bonds bore the circulation privilege:

	Outstanding June 30, 1932 (in thousands)
2 per cent consols of 1930	$599,724
2 per cent Panama Canal loan of 1916–1936	48,954
2 per cent Panama Canal loan of 1918–1938	25,947
Total	674,625

By this act the circulation privilege was extended to an additional $3,089,000,000 of United States bonds. At the end of the three-year period the notes issued against such bonds must be retired in an appropriate manner. The oustanding bond issues accorded the circulation privilege by the new legislation are the following:

	Outstanding June 30, 1932 (in thousands)
2½ per cent postal savings bonds (third to forty-second series)	$36, 247
3 per cent conversion bonds of 1946–1947	28, 895
3 per cent Panama Canal loan of 1961	49, 800
3 per cent Treasury bonds of 1951–1955	800, 422
3⅛ per cent Treasury bonds of 1946–1949	821, 403
3⅜ per cent Treasury bonds of 1940–1943	352, 994
3⅜ per cent Treasury bonds of 1941–1943	544, 917
3⅜ per cent Treasury bonds of 1943–1947	454, 135
Total	3, 088, 813

The maximum amount of national bank notes which may be issued under the new authorization is limited by the provision of the national bank act which precludes a national bank from issuing notes in excess of its paid-in capital. On June 30, 1932, the paid-in capital stock of active national banks was $1,570,000,000 and national bank notes secured by United States bonds were outstanding in the amount of $670,000,000, leaving $900,000,000 as the additional amount of notes which may be issued under the new legislation. On October 31, 1932, about $125,000,000 of national bank notes had been been issued against bonds recently accorded the circulation privilege.

As a result of the operations of the Federal reserve system the volume of currency in circulation is currently adjusted to the country's changing currency requirements. The underlying conditions which determine these requirements are not directly affected by the new legislation and in consequence the issuance of additional national bank notes does not cause an increase in the total volume of currency in circulation, but tends to result in the subsitution of nationtal bank notes for other forms of currency, particularly Federal reserve notes.

The extent to which the new note-issuing privilege will be availed of by national banks depends primarily upon underlying credit conditions affecting the advantage to the issuing banks of increase in their note issues. The issuance of additional national bank notes has tended to be confined to banks that are borrowing at reserve banks or elsewhere, particularly on United States Government securities as collateral, and so are in a position to issue notes at little cost to retire indebtedness bearing interest at a higher rate; and to banks that are out of debt but desirous of improving their cash position or able to increase their earnings through additional note issues.

The actual increase in national bank notes in the three months following the enactment of this legislation has been limited by the inactive demand for credit on acceptable collateral and by the fact that many banks were not only out of debt but had considerable excess reserves at the Federal reserve banks.

As business conditions improve, however, it may be expected that more banks will find it possible to use additional funds profitably and consequently will avail themselves of the note-issuing privilege more fully. The ability of the national banks to obtain currency in large amounts without resorting to the Federal reserve banks will affect not only the volume of Federal reserve notes in circulation, but also the position of the Federal reserve banks in relation to member banks and the influence of the Federal reserve system on the general credit situation.

BUREAU OF INTERNAL REVENUE

Administration of the revenue act of 1932

The bureau assisted in formulating Treasury recommendations regarding new taxes and increased tax rates which were submitted to the Congress in December, 1931, and were more fully presented by the Secretary of the Treasury to the Committee on Ways and Means of the House of Representatives on January 13, 1932. When the Committee on Ways and Means finally determined upon a general manufacturers' excise tax, extended consideration was given to the problems of administering such a tax. After the House of Representatives rejected this tax and substituted for it a number of special manufacturers' excise and other miscellaneous taxes, the bureau began to draft regulations for such taxes and to prepare in detail for their administration.

Although the final form of the revenue act of 1932 was very uncertain up to the time of its passage by the Congress during the first week of June, regulations dealing with the new excise and other miscellaneous taxes were made available for distribution either before or shortly after the effective date of such taxes.

These regulations included: Regulations 42, approved June 17, 1932, relating to taxes on telegraph, telephone, radio, and cable facilities, transportation of oil by pipe line, safe deposit boxes, checks, etc., and electrical energy; Regulations 43, approved June 14, 1932, relating to taxes on admissions, dues, and initiation fees; Regulations 44, approved June 18, 1932, relating to taxes on lubricating oil, brewer's wort and malt products, grape products, matches, soft drinks, and gasoline; Regulations 46, approved June 18, 1932, relating to excise taxes on sales by manufacturers; and Regulations 71, approved July 16, 1932, relating to stamp taxes on issues and transfers of stocks

and bonds, sales of produce for future delivery, passage tickets, foreign insurance policies, and deeds of conveyance.

The various returns and other forms for administering these taxes were prepared and in the hands of the collectors of internal revenue well in advance of the time when they were required for use by the taxpayers. The number of such forms printed was nearly 2,800,000.

The application of the new taxes raised many questions requiring interpretative rulings relating to both the act and the regulations. During the two months following the enactment of the law about 20,000 letters of inquiry were received, and in the same period 1,200 conferences were held in the bureau with taxpayers or their representatives.

The revenue act of 1932, in addition to imposing new miscellaneous internal revenue taxes, revised income tax rates upward and included many administrative changes in the income tax law. The revision of the income tax regulations resulting from these changes has been a task of great magnitude. The preparation of income tax forms and regulations has progressed to such a stage that they will all be available to the taxpaying public well in advance of the date established by law for filing returns.

The returns for the additional estate tax imposed by the revenue act of 1932 on estates of decedents dying subsequent to June 6, 1932, are not required to be filed until one year after death; and gift tax returns for the calendar year 1932 are not required to be filed until March 15, 1933. Regulations covering these taxes are in process of preparation.

Increase in number of tax returns and administrative work.—The revenue act of 1932 materially reduced the personal exemptions allowed to individuals and abolished the specific credit allowed to corporations, thus broadening the base of the income tax. The number of individual income tax returns which will be filed for 1932 will be substantially in excess of those filed for 1931. The number of additional returns is estimated at approximately three and a half million, which would bring the total number of individual returns anticipated up to about 6,500,000.

The administration of these millions of additional individual returns together with the returns for the new manufacturers' excise taxes and other miscellaneous taxes, which now aggregate more than 100,000 monthly, has greatly increased the work of the Bureau of Internal Revenue. Were it not for the fact that the experienced personnel of the bureau is now of a more permanent nature than was the case in past years, a substantial increase in number of employees would be required to meet the demands created by the new revenue act. Some additions to the force engaged in administering miscellaneous taxes will no doubt be necessary, but in view of the fact that a large

portion of these taxes, such as those on electrical energy, checks, telephone, telegraph, cable, and radio messages, and gasoline, are paid at the source, the problem of collection is simplified and presents a minimum of administrative difficulties.

Sufficient time has not elapsed to give a true indication of the volume of work that may be encountered in the enforcement of the provisions of the revenue act of 1932 relating to new manufacturers' excise and other miscellaneous taxes which went into effect for the most part on June 21, 1932, or of the amount of revenue to be collected. Large purchases by dealers in June made in anticipation of taxes, cut down manufacturers' sales in July and August and in some instances may affect collections even in later months. Furthermore, taxes imposed on sales in July were not due until the last day of August; and in the case of the taxes on electrical energy, and on telephone, telegraph, cable, and radio messages, there is a two months' lag in collections due to the fact that the tax is payable to the Government at the end of the month following that in which it is collected by the company, which in turn is usually not earlier than the month following that in which the service is rendered. Increasing collections from the new taxes are reflected in total miscellaneous internal revenue receipts, which amounted to $42,000,000 in July, $55,000,000 in August, $73,000,000 in September, and $78,000,000 in October.

Administrative difficulties with new taxes.—Many difficult problems have arisen in connection with the administration of the new taxes imposed by the revenue act of 1932, particularly in connection with taxes on checks, electrical energy, gasoline, lubricating oil, jewelry, furs, toilet preparations, sporting goods, soft drinks, and brewer's wort.

The legislative history of the check tax clearly indicates the intention of the Congress to exempt from tax certain instruments which had been in use for many years by purchasers of farm products. The department experienced great difficulty in giving effect to the intent of the law in this respect without seriously jeopardizing the revenue yield of the tax. The existing situation is far from satisfactory, although the tax is producing very substantial revenue.

The tax on amounts paid for electrical energy applies only to amounts paid for such energy furnished for domestic or commercial consumption. It was necessary to rule on various large classes of users of electricity and many border-line cases were encountered in which it was extremely difficult to determine whether the energy was furnished for domestic or commercial consumption or for industrial or other uses. Some municipalities have taken exception to the Government's rulings that the electricity used by a municipality for a proprietary function as distinguished from an essential governmental function is subject to the tax if a separate charge is made.

In the case of the new tax on the sale or use of lubricating oil, the congressional history of the law gave the department no clue as to how broadly this term should be interpreted. In the absence of experience with a tax of this character it was necessary to give the question very careful consideration in order to make a proper construction of the law. While practically every oil has some lubricating qualities, it was decided that it was not the intent of the Congress to tax oils not sold or used for lubrication.

In the development of regulations and rulings for the administration of the manufacturers' excise taxes it has been necessary to cope with exacting difficulties in applying the law to practices and conditions peculiar to the various industries affected. The tax on gasoline applies to any liquid the chief use of which is as a fuel for the propulsion of motor vehicles, motor boats, or airplanes. One of the major difficulties in administering this tax has arisen in connection with the numerous petroleum products just outside the range of products used chiefly as a motor fuel but which are commonly and easily combined to produce a taxable motor fuel. The sale or blending of such materials presents a difficult administrative problem.

A difficult problem in administering the tax on jewelry is presented by the necessity of interpreting the law as to who is the manufacturer or producer so as to take account of the conflicting interests and viewpoints of the various types of manufacturers, producers, and importers who handle jewelry.

In connection with the tax on toilet preparations, it has been extremely difficult to classify the articles properly, since many which are medicated and used in the treatment of abnormal conditions are also offered to the public as suitable for use as toilet preparations.

The tax on furs became effective at the beginning of the period in which manufacturers sell their products to retailers for the fall and winter trade; and because of trade practices the furriers found themselves in the position of being required to pay taxes to the Government prior to the time they could collect the sale price and tax reimbursement. The department attempted to relieve this situation as far as possible under the general provisions of the internal revenue laws. Also, the determination as to when fur is the component material of chief value in an article has been found most difficult.

Other difficulties have been encountered in connection with the tax on sporting goods and games. In view of the fact that the law specifically exempts children's toys and games from the tax imposed on games and parts of games, the department has been petitioned repeatedly to apply that exemption to various sporting goods which might be adaptable for use not only by children but by adults as well. Careful study has been required in many instances to distinguish toys from sporting goods and children's games from adults' games.

In connection with the taxes on soft drinks, difficulty has arisen in attempting to establish the correct present-day definition of finished or fountain sirup, fruit juices, and still drinks, in view of the fact that the beverage industry has developed many new products and practices since the repeal of similar taxes imposed by the revenue act of 1921.

The high tax on brewer's wort and certain malt products, ranging from 50 per cent to 125 per cent of the selling price of these products, has encouraged the manufacturers of such cereal products to make their products in the form of malt sirups and extracts on which the tax is 3 cents per pound, the consumer or user for further manufacture then converting it back into brewer's wort by dilution with water. It has also come to the attention of the Treasury that there is considerable other tax evasion in connection with the manufacture and sale of brewer's wort. This situation is receiving the department's careful attention.

Income tax administration

Approximately 4,200,000 income tax returns were filed for 1931, while for the years just preceding the number filed annually was about 5,000,000.

Under the revenue act of 1932, as in the case of the revenue act of 1928, any deficiency tax must be assessed within two years after the return is filed, and any refund must be allowed or made within two years from the time the tax is paid, unless during that period a claim for refund is filed. Where deficiency taxes are proposed, either waivers must be accepted extending the period of limitation on assessment or 60-day deficiency notices must be sent before the expiration of the statutory period.

Beginning with returns for 1928 the work of the bureau on returns for a given year has, therefore, had to be completed within two years. At the same time increased efforts have been made to reach agreements with taxpayers as to tax liabilities in order to keep to a minimum the number of cases appealed to the Board of Tax Appeals and to avoid litigation in the courts.

The work of the Internal Revenue Bureau during a given fiscal year is for the most part on returns for the three most recent calendar years. The bureau must complete the audit of the calendar year returns for which the period of limitation on assessment expires in March of the fiscal year; as a rule only a small number of these returns remain unaudited, most of which involve complicated auditing problems or depend on pending litigation.

The bureau must concentrate the efforts of the greater part of its administrative organization on the work of auditing and closing the

major part of the returns filed in March just preceding the beginning of the fiscal year, and in addition it must begin its audit work on the returns filed in March of the fiscal year. More than 95 per cent of the returns filed in any one year are found to be substantially correct as filed, and are closed within a year after they are filed.

Summary of audit.—The work of the bureau during the fiscal year 1932 is summarized in the following table:

Summary of income tax audit during the fiscal year 1932

[Number of returns]

	1932
Returns closed by—	
Income Tax Unit—	
Without use of 60-day deficiency notice	2, 442, 355
After issuance of 60-day deficiency notice, without appeal to Board of Tax Appeals	15, 579
Jeopardy assessment	2, 122
Total	2, 460, 056
Accounts and Collections Unit	1, 840, 000
Decision of Board of Tax Appeals	6, 379
Returns involved in appeals filed during year with Board of Tax Appeals [1]	8, 575

	June 30, 1931	June 30, 1932
Returns on hand—		
For audit—		
Income Tax Unit	364, 700	254, 771
All other, procedure prior to audit incomplete	2, 140, 000	2, 270, 000
Awaiting action of taxpayer, after issuance of 60-day deficiency notice	1, 998	2, 397
Appeals pending before Board of Tax Appeals	21, 233	20, 469

[1] Includes some returns for which 60-day deficiency notices were sent prior to the beginning of the year.

There were approximately 2,500,000 income tax returns in the bureau for audit at the beginning of the fiscal year 1932, of which about 2,200,000 were returns for 1930, filed in March, 1931. The returns filed during the fiscal year, totaling approximately 4,200,000 included for the most part calendar year returns for 1931 filed in March, 1932. During the fiscal year about 92 per cent of the previously unaudited returns for 1930 were closed as well as nearly half of the returns filed for 1931. With respect to a substantial part of the balance of the 1931 returns the administrative procedure prior to audit was incomplete on June 30, 1932.

The audit of the returns of large incomes, or those involving more complicated accounting problems, is conducted by the Income Tax Unit. During 1932 the unit concentrated on returns for 1929 for which as a general rule the period of limitation on assessment ran in March, 1932.

The total number of returns in the bureau for audit at the end of the year was approximately 2,500,000. Of the total awaiting audit, approximately 2,290,000 were returns for 1931, 209,921 were returns for 1930, and 22,708 were original, new, or reopened returns for 1929 and prior years. Other returns involving matters still in dispute on

June 30, 1932, and not included in the above figures include 2,397 returns awaiting action of the taxpayer after the sending of the 60-day deficiency notice, and returns involved in the 20,469 appeals pending before the Board of Tax Appeals.

Cases closed within the bureau.—During the fiscal year 1932 the Income Tax Unit was successful in closing an increased number of returns, without the use of the 60-day deficiency notice, thus making available for immediate collection large amounts of additional tax. There were 132,936 returns involving additional taxes which were closed without a 60-day deficiency notice, as compared with 111,403 returns thus closed during the preceding fiscal year. The amount of additional taxes, including penalties and interest, thus assessed was $107,234,539.

There were $32,364,500 of additional taxes assessed during 1932, upon agreements negotiated between the field forces and taxpayers. In such cases the additional tax is assessed before review in Washington and is collected promptly, with a correspondingly smaller interest charge against the taxpayers. Of additional taxes recommended by the field forces, other than those agreed to in the field, approximately $140,000,000 were assessed as recommended. This amount includes a substantial sum proposed in 60-day deficiency notices which the taxpayer did not appeal to the Board of Tax Appeals, or concerning which agreements were signed during the 60-day period.

Collections of back taxes.—During the fiscal year 1932, the total revenue received from back taxes on individual and corporation incomes amounted to $188,781,608 as compared with $238,084,450 for the fiscal year 1931. The decrease in collections from this particular source was due to the decreasing number of large cases for early years, and also to the fact that, as a result of the depression, many taxpayers were not able financially to make payments of deficiencies finally determined, and an increasing number required extensions of time for payment.

Special Advisory Committee.—The Special Advisory Committee has continued its work of expediting the settlement of certain cases in which 60-day deficiency notices have been issued and/or which have been appealed to the Board of Tax Appeals. During the year the committee disposed of 569 income tax cases in the 60-day status involving 655 tax years as compared with 1,627 cases in the 60-day status covering 1,975 tax years in the preceding year. This reduction was due in large part to a change in procedure. When a 60-day deficiency notice is issued without affording the taxpayer the usual opportunity for discussion of the case, owing to the running of the statute of limitations, the subsequent conferences are now held in the Income Tax Unit instead of by the Special Advisory Committee as

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heretofore. The Special Advisory Committee is thus relieved of the burden of holding such conferences within the 60-day period and at the same time the taxpayer has an opportunity to file an appeal with the Board of Tax Appeals if he so desires.

The committee also closed by agreement 3,958 cases, involving 5,178 tax years, which had been appealed to the Board of Tax Appeals as compared with 2,856 cases, covering 4,332 tax years, during the fiscal year 1931. This increase is also due to a change in the method of handling cases in the 60-day status. In addition the Special Advisory Committee made recommendations for defense, no basis for an agreement having been reached, in disposing of 3,220 cases, involving 4,241 tax years, which had been appealed to the board. Miscellaneous cases aggregated 184, involving 285 tax years.

Office of the General Counsel.—There were 12,708 offers in compromise closed during the year, as follows: Insolvent compromises, 1,966; decedents' estates, assignments, etc., 349; liquor cases, 2; and interest and delinquency penalty compromises, 10,391.

The Appeals Division has immediate charge for the commissioner of all cases brought before the Board of Tax Appeals, including those in which the appeals are taken from decisions of the board to appellate courts. Approximately 54 per cent of the cases closed before the board have been settled by agreement. During the fiscal year 1932, 7,618 cases were filed with the board, and 8,382 were disposed of.

The Civil Division, in accordance with established procedure, has charge of all civil internal revenue cases arising in the Federal district courts, the United States Court of Claims, and the Supreme Court of the District of Columbia, together with a limited number of cases originating in State courts. The total number of cases disposed of during the year was 1,650, in 500 of which liens were involved and in the remainder, other issues were in litigation.

The Penal Division, as its title indicates, is concerned with the preparation of opinions as to liability for percentage penalties for fraud, negligence, or delinquency in cases where an opinion as to assertion of such penalties has been requested by any officer or unit of the bureau. It deals with all questions of law involved in a case where there is also a question of percentage penalty. It is concerned with the interpretation of percentage penalty and criminal statutes; preparing, for reference to United States attorneys for prosecution, criminal cases arising under the internal revenue laws or under applicable provisions of the criminal laws of the United States; assisting in such criminal prosecutions by furnishing evidence for grand jury and court proceedings, preparing indictments and briefs, and participating in arguments, trials, and appeals at the request of the Department of Justice or the United States attorneys; preparing

opinions as to acceptance or rejection by the commissioner of offers in compromise made by taxpayers charged with liability for percentage penalties or violations of Federal criminal statutes; preparing opinions as to whether cases closed by agreement under section 606 of the revenue act of 1928, and similar provisions of other revenue acts, should be reopened because of "fraud or malfeasance, or misrepresentation of a material fact"; and consideration of claims for reward under section 3464 of the Revised Statutes. The number of cases disposed of during the year was 1,703, special effort being made to dispose finally of the older cases.

The Review Division reviews cases involving refunds, credits, and abatements of various internal revenue taxes. Up to October 7, 1931, the division reviewed all cases involving refunds and/or credits in excess of $10,000 except allowances based on final order of the Board of Tax Appeals and court decisions, approved settlements by the Special Advisory Committee, compromise cases, and estate tax cases. On that date, this procedure was discontinued and the review of cases involving amounts between $10,000 and $20,000 was assigned to a special committee in the Audit Review Division of the Income Tax Unit. There were 2,065 overassessment cases disposed of during the year including certificates allowing reductions in tax aggregating $173,341,019.53. Public decisions relating to refunds in the sum of $20,000 and over were promulgated in 1,489 cases and in 100 cases memoranda were submitted to the Joint Committee on Internal Revenue Taxation.

Board of Tax Appeals.—During 1932 there was a decrease of 764 in the number of cases pending before the Board of Tax Appeals, 20,469 being on hand June 30, 1932, as compared with 21,233 pending at the close of the preceding fiscal year. Appeals docketed by the board during the fiscal year 1932 totaled 7,618; the cases disposed of numbered 8,382, of which 5,707 were closed by agreed settlement, the agreements being secured by the Special Advisory Committee and the Office of the General Counsel in 3,944 and 1,763 cases, respectively. At the close of the year there were 14 cases pending before the Special Advisory Committee awaiting the filing of closing agreements.

A more detailed description of the work of the bureau will be found on pages 159 to 176 of this report.

FEDERAL PUBLIC BUILDING PROGRAM

The public building act, approved May 25, 1926, inaugurated the so-called public building program which is intended to provide suitable accommodations in the District of Columbia for the executive departments and independent establishments of the Government; and to provide throughout the country post offices, courthouses, immigration stations, customhouses, marine hospitals, quarantine stations, and

other public buildings of the classes under the control of the Treasury Department. This act authorized an expenditure of $177,404,818. Early in 1927 a report, based on this legislation, was submitted to Congress setting forth the results of a nation wide survey of the Government's building requirements and making specific recommendations for Federal buildings. During the years 1928, 1929, and 1930 Congress increased the public building program in the sum of $455,891,976. The total amount of the authorized program is therefore $633,296,794 plus $69,000,000, the latter amount representing the estimated proceeds of the sale of obsolete buildings.

Status of program

A list of projects under the program recommended in 1927 was submitted to Congress during the same year for specific authorization and appropriation. Specific authorizations or appropriations have been made by Congress to the extent of $499,397,619, or more than 70 per cent of the total authorized program of $700,000,000. At the end of the fiscal year 1932, 206 projects had been completed, at a total cost of $67,623,596; 359 projects were wholly or partially under contract, involving a total limit of cost of $307,416,600; and 118 projects were on the market, in the specification stage, or construction proposals had been received therefor, involving a total limit of $53,675,023. Plans were in course of preparation for 106 projects, with a total limit of cost of $31,342,400. There were 28 projects held for amended legislation, for acquisition of title to sites, or for other reasons, the total limit of cost of which was $10,660,000. Of the specific authorizations and appropriations mentioned, 92 per cent was represented in one of the following stages: Completed, under contract, on the market for construction bids, or practically ready to be placed on the market. The remaining 8 per cent represented projects in the drawing stage, held for amended legislation or for other reasons.

During the fiscal year ended June 30, 1932, 133 new buildings and 37 major extensions of existing buildings were completed for occupancy. Among these were buildings at Roanoke, Va.; Worcester, Mass.; Wichita, Kans.; Toledo, Ohio; Tulsa and Oklahoma City, Okla.; and Baltimore, Md., at construction costs ranging from about $500,000 to more than $3,000,000 per building.

The largest project in the District of Columbia program, the Department of Commerce Building, was completed during the fiscal year. A part of the Department of Agriculture Extensible Building was also completed and occupied.

The foundations of the buildings for the Post Office Department, the Department of Labor and the Interstate Commerce Commission,

and the Department of Justice were also completed. The superstructures for these buildings are now under contract.

Expenditures and outstanding obligations

Of the $499,397,619 specifically authorized or appropriated as of June 30, 1932, $347,173,404 in the aggregate had been obligated to that date. Expenditures had been made under these obligations to the amount of $229,411,700, including expenditures for the fiscal year 1932 amounting to $85,896,407. Expenditures in 1932 included $73,450,618 for the country at large and $12,445,789 for the District of Columbia.

Emergency relief program

For the purpose of providing for emergency construction with a view to increasing employment, the emergency relief and construction act, approved July 21, 1932, appropriated an additional $100,000,000 for building projects to be selected from projects specified in House Document 788, Seventy-first Congress, third session, dated February 27, 1931. This document is the latest report of the Secretary of the Treasury and the Postmaster General listing all the buildings and the enlargements of existing buildings outside the District of Columbia recommended under the public building program. Under this provision of the act of July 21, 1932, the Secretary of the Treasury and the Postmaster General, up to October 31, 1932, have selected from this document 410 public building projects scattered throughout the United States with limits of cost aggregating $84,774,500. Further selections will be made after a closer study of the needs of the various communities represented in the remaining possible projects. Advertisements for proposals for the sale of land as sites for 125 of these projects have already been published and further bids are being opened every day. The entire number will be opened by December 5, 1932. Offers of properties as sites for more than 100 of these projects are now in the hands of site agents for inspection of the properties.

Private architectural services

In order to expedite the public-building program, Congress authorized the employment of private architects to the extent deemed necessary by the Secretary of the Treasury. At the end of the fiscal year 1931 contracts had been made with architectural firms for 78 projects amounting to $165,582,023 in limit of cost. At the end of

the fiscal year 1932 this number had been increased to 232 projects, with a total limit of cost amounting to $248,772,023, approximately 50 per cent of the aggregate specific authorizations.

Status of work in the Office of the Supervising Architect

In addition to the checking and reviewing of the plans and specifications for 170 projects prepared by private architects, the Office of the Supervising Architect by the end of the fiscal year 1932 had prepared and completed the plans and specifications for 440 of the specifically authorized building projects.

The status of public building work in the Office of the Supervising Architect is set forth in detail in the section beginning on page 203 of this report.

FEDERAL FARM LOAN BUREAU

The Federal Farm Loan Board has made every effort during the year to be of practical assistance to the banks in the farm loan system and to correct any unsound practices by means of constructive suggestions regarding the operations of the banks. The board has maintained close supervisory contact with the banks through comprehensive examinations and conferences with officers and directors. Careful attention has been devoted to problems of individual banks as well as to general economic conditions in their relation to the farm loan system. Sympathetic consideration of borrowers in temporary distress has been to the mutual advantage of both borrowers and lenders, and the board has encouraged such an attitude on the part of the banks.

Federal land banks

During the 12 months ended June 30, 1932, the Federal land banks reported loans closed aggregating $27,445,700, while during the preceding fiscal year the banks closed loans aggregating $50,145,900. Several factors growing out of the general economic situation operated to bring about a decrease in the volume of applications for loans qualified under the provisions of the farm loan act. In the majority of cases loans were desired for the purpose of refinancing existing indebtedness and the appraised value of the premises offered as security was insufficient to support a loan of the necessary amount. Also, the financial condition of many national farm loan associations precluded the making of new loans upon their indorsement. Generally speaking, the banks have had funds available to make loans which meet the requirements of the law.

It has been the general policy of the Federal land banks to require the payment of maturing obligations, but in cases of delinquencies each loan has been considered in the light of the facts of the particular case and foreclosure proceedings have been instituted only when the

borrower was not making an honest effort to meet his obligations or would have no prospect of succeeding in doing so if given reasonable time. The banks were enabled to continue this policy, as well as to continue making new loans, by the amendment to the Federal farm loan act approved January 23, 1932, which authorized the Secretary of the Treasury to subscribe for additional capital stock of the Federal land banks on behalf of the United States in the amount of $125,000,000. It was provided by the amendment that $25,000,000 of the authorized additional capital should be used exclusively for the purpose of supplying the banks with funds to use in their operations in place of amounts of which they might be deprived by reason of extensions granted to borrowers. The entire amount of the $125,000,000 of additional capital has been subscribed and paid for as shown in the accompanying table.

Additional capital stock of Federal land banks subscribed and paid for by the Secretary of the Treasury in accordance with the amendment to the Federal farm loan act approved January 23, 1932

Federal Land Bank of—	Amount of capital subscribed and paid for in—				Allocation of [1]$25,000,000 for use in connection with extensions
	February, 1932	April, 1932	June, 1932	Total	
Springfield	$1,425,080	$1,000,000	$4,229,685	$6,654,765	$1,117,780
Baltimore	1,512,430	1,000,000	4,229,690	6,742,120	1,454,245
Columbia	8,958,770		4,229,685	13,188,455	1,168,820
Louisville	3,000,980	1,000,000	4,229,690	8,230,670	2,558,660
New Orleans	8,651,070		4,229,690	12,880,760	2,227,350
St. Louis	4,414,185	1,000,000	4,229,685	9,643,870	2,216,120
St. Paul	14,905,360		4,229,690	19,135,050	2,402,525
Omaha	3,499,810	2,000,000	4,229,690	9,729,500	3,499,810
Wichita	1,924,055	1,000,000	4,229,690	7,153,745	1,924,055
Houston	3,290,965	2,000,000	4,229,690	9,520,655	3,290,965
Berkeley	1,981,490	1,000,000	4,229,685	7,211,175	1,116,355
Spokane	9,679,545	1,000,000	4,229,690	14,909,235	2,023,315
Total, 12 banks	63,243,740	11,000,000	50,756,260	125,000,000	25,000,000

[1] Included in the subscriptions made in February, 1932.

The policy of the Federal land banks in carrying worthy borrowers unable under present conditions to meet their obligations is reflected in the relatively small number of foreclosures. On October 31, 1932, only about 3 per cent of all loans in connection with which borrowers from the banks had failed to meet their obligations, including loans upon which extensions had been granted, were in process of foreclosure. The banks had entered into extension agreements with approximately 78,000 borrowers and were carrying thousands of others with whom definite agreements had not been entered into.

At the beginning of the fiscal year the Treasury held, from the original subscriptions made at the time the banks were organized, a total of $237,733 of stock in two of the banks, the Federal land banks of Springfield and Berkeley. Of this amount, $31,793.75 was retired

during the year in accordance with the provisions of the farm loan act, leaving at the close of the year $74,425 of the original Government-owned stock in the Federal Land Bank of Springfield and $101,514.25 in the Federal Land Bank of Berkeley. Including these amounts, the capital stock of the Federal land banks owned by the Government on June 30, 1932, aggregated $125,175,939.25 and represented 65.9 per cent of the total capital stock of the banks.

While the Government now owns the majority of the stock of each of the Federal land banks, the recent amendment made no change in the method of selecting the directors of the banks. Each bank has seven directors, three of whom are elected by the national farm loan associations; three are appointed by the Federal Farm Loan Board; and one is selected by the board from three nominees of the national farm loan associations.

There were no public offerings of Federal land bank bonds during the year. The Federal Land Bank of Spokane issued $500,000 of short-term bonds as a refunding operation, and the Federal Land Bank of Houston issued $1,500,000 of short-term bonds in connection with a repurchase agreement. The entire amount of these two issues was retired before the end of the fiscal year.

Joint stock land banks

Joint stock land banks reported loans closed during the fiscal year in the aggregate amount of $2,894,839, consisting mainly of mortgages taken to secure a portion of the purchase price upon the sale of real estate which had been acquired by the banks. Three joint stock land banks issued bonds during the year, the aggregate amount of the bonds being $950,000. In addition, bonds and certificates amounting to $24,522,526 were issued in connection with the reorganization of the properties and affairs of the Kansas City Joint Stock Land Bank, which had been placed in receivership in 1927.

Joint stock land banks are privately organized institutions, with their entire capital stock privately subscribed. While some of the joint stock land banks have been able to maintain a strong position, others have been faced with the problems attendant upon an accumulation of real estate holdings, a serious decline in earnings, and an increase in operating expenses. Some have offset the decrease in earning assets in part by the purchase of their own bonds in the market at substantial discounts.

Receiverships.—During the year the liquidations of two joint stock land banks were completed through receiverships, namely, the Kansas City Joint Stock Land Bank of Kansas City, Mo., and the Ohio Joint Stock Land Bank of Cincinnati, Ohio. The total of all liquidating dividends authorized to be distributed to holders of bond obligations who had filed proper claims with the receiver was equal

in amount to 61.33 per cent of the principal amount of bonds on which claims were filed in the receivership of the Kansas City Joint Stock Land Bank and 64.11 per cent in that of the Ohio Joint Stock Land Bank.

In the receivership of the Bankers Joint Stock Land Bank of Milwaukee, Wis., dividends aggregating 19 per cent of the principal face amount of outstanding bonds and of unmatured interest accrued to July 1, 1927, were declared by the Farm Loan Board during the fiscal year 1932. A liquidating dividend of 15 per cent had been declared previously. More than 99 per cent of the bonds of this bank were purchased by a corporation which contemplated acquiring assets of the receivership.

Two joint stock land banks were placed in receivership during the year on account of default in the payment of bond interest—the Southern Minnesota Joint Stock Land Bank of Minneapolis, Minn., on May 2, 1932, and the St. Louis Joint Stock Land Bank of St. Louis, Mo., on June 1, 1932.

Federal intermediate credit banks

The loans to and discounts for financing institutions by the Federal intermediate credit banks during the fiscal year 1932 aggregated $126,518,039.90, including renewals. The total during the fiscal year 1931 was $119,608,432.11. The increase in the volume of business handled by the intermediate credit banks for financing institutions and the growth in the number of such institutions served by the banks are indicated in the following table, showing the loans to and discounts for financing institutions outstanding on June 30 of each of the last four years and the number of such institutions represented on each date:

June 30—	Loans to and discounts for financing institutions, outstanding	Number of financing institutions represented
1929	$59,069,937.91	271
1930	64,640,504.89	272
1931	79,205,948.54	426
1932	80,462,366.13	445

The expansion in these financing institutions has been aided through the efforts of farmers' organizations, local business men, and individual farmers, and by loans made by the Secretary of Agriculture and the Federal Farm Board. The Seventy-second Congress, by Public Resolution No. 11, authorized the establishment of a revolving fund of $10,000,000 to enable the Secretary of Agriculture to make loans to individuals for the purpose of subscribing for capital stock of financing institutions qualified to do business with the Federal inter-

mediate credit banks. However, the expansion of financing institutions appeared to be inadequate in some localities to provide facilities for normal short-term credit to farmers and stockmen, particularly in view of conditions prevailing among many commercial banks which would ordinarily extend such credit. Further development of facilities for this type of credit was made possible by the emergency relief and construction act of 1932, approved July 21, 1932, authorizing the Reconstruction Finance Corporation to create in each of the 12 Federal land bank districts a regional credit corporation with a paid-up capital of not less than $3,000,000 to be subscribed by the Reconstruction Finance Corporation. Such credit corporations are given authority to make loans to farmers and stockmen and to rediscount, when eligible, notes representing such loans with the Federal intermediate credit banks, the Reconstruction Finance Corporation, and the Federal reserve banks.

During the 12 months ended June 30, 1932, the Federal intermediate credit banks made loans aggregating $128,308,196.47, including renewals, to cooperative marketing associations, the total amount during the previous year being $151,828,288.79. There was a partial liquidation during the fiscal year 1932 of loans to stabilization corporations.

During the fiscal year the intermediate credit banks sold debentures aggregating $234,335,000. At the beginning of the year debentures were marketed which carried a rate of 3 per cent, some issues being sold at a premium. During the fall and winter it was found necessary to market debentures on a less favorable basis; the rate of interest on new issues reached 5 per cent in January and February, 1932, some issues bearing this rate being sold at a discount. A substantial volume of debentures was purchased by the Federal reserve banks. The Reconstruction Finance Corporation made commitments to take any debentures not otherwise sold from issues during the months of February, March, and April, but these debentures were absorbed without the aid of the corporation.

In order to provide a more stable market for debentures of the Federal intermediate credit banks, the Federal farm loan act was amended by an act approved May 19, 1932, making the debentures eligible security for 15-day borrowings from the Federal reserve banks by member banks of the Federal reserve system. This amendment greatly increased the desirability of the debentures as investments for commercial banks and other investors desiring high-grade, tax-exempt securities readily convertible into cash. At the end of the fiscal year debentures bearing an interest rate of 3 per cent per annum were marketed at a premium.

The authorized capital of each of the Federal intermediate credit banks is $5,000,000, or a total of $60,000,000 for the 12 banks, all of

which was subscribed by the Secretary of the Treasury on behalf of the United States. Of the subscribed capital a total of $30,000,000 had been paid in at the beginning of the fiscal year During the year the Federal intermediate credit banks of Houston and Spokane each called $1,000,000 of the unpaid capital. At the end of the fiscal year the paid-in capital of the 12 intermediate credit banks was as follows: Federal intermediate credit banks of Columbia and Berkeley, $5,000,000 each; Federal intermediate credit banks of Houston and Spokane, $3,000,000 each; Federal intermediate credit banks of Springfield, Baltimore, Louisville, New Orleans, St. Louis, St. Paul, Omaha, and Wichita, $2,000,000 each.

BUREAU OF CUSTOMS

Imports and customs collections

Customs receipts for the third consecutive year declined from the preceding fiscal year's total. Receipts for 1932 at $328,000,000 were 14 per cent less than in 1931, reaching the lowest level recorded during the last decade, only slightly above the level of 1920 and 1921. This decline in customs collections compares with a decline of 28.9 per cent in the value of general imports. The reduced customs receipts may be attributed largely to diminished quantities of imports which reduced the amount of both specific and ad valorem duties and to almost uniformly lower values which in some measure reflected depreciation in the currencies of a number of foreign counties.

Free imports represented 66.7 per cent of the total value of imports for consumption during 1932 as compared with 69 per cent in the previous fiscal year and a range from 64 to 66 per cent for the preceding five years. The larger proportion of free goods in 1931 was doubtless attributable to a reduction in dutiable imports which followed the accumulation of large stocks of dutiable goods by manufacturers and dealers immediately prior to the passage of the tariff act.

Imports and customs collections are summarized in the following table for the years 1928 to 1932:

Merchandise exports and imports and customs collections, 1928 to 1932

[In millions of dollars]

Fiscal year	Exports	Imports	Excess of exports over imports	Customs receipts[1]
1928	4,877	4,147	730	569
1929	5,373	4,292	1,082	602
1930	4,694	3,849	845	587
1931	3,083	2,432	651	378
1932	1,949	1,731	218	328

[1] On basis of daily Treasury statements (unrevised)

All classes of general imports showed declines during the fiscal year 1932 as compared with the previous year, the total decrease amounting to $701,530,000, or 28.9 per cent. Imports of crude materials and of semimanufactures showed the greatest proportionate declines, 33.8 and 34.8 per cent, respectively; the rates of decrease for crude foodstuffs, finished manufactures and manufactured foodstuffs (25.5, 24.9, and 17.1 per cent, respectively) were less than the rate of decrease of all imports. In both 1931 and 1932 the decrease in value of crude materials as compared with the preceding year was larger than for any other class of imports, $258,000,000 during 1932 and $544,000,000 during 1931. Large decreases in the value of leading crude commodities, such as crude rubber, raw silk, hides, and fertilizers, contributed substantially to this total decrease.

The six groups of imports which comprise the leading sources of Government revenue from customs are cane sugar, unmanufactured tobacco, raw wool, wool manufactures, cotton manufactures, and silk manufactures. The changes in general imports of these commodities during the fiscal year 1932, as compared with 1931, are shown below:

Value of imports of leading revenue-producing commodities during the fiscal years 1931 and 1932

[General imports; dollars in millions]

	1931	1932	Percentage increase (+) or decrease (−)
Cane sugar	60.0	56.7	−5.5
Tobacco, unmanufactured	36.5	31.8	−12.8
Wool and mohair, unmanufactured	21.6	12.0	−44.3
Wool manufactures, including semimanufactures	25.9	19.0	−26.7
Cotton manufactures, including semimanufactures	34.3	35.6	+3.7
Silk manufactures	13.3	11.7	−11.8
Other dutiable commodities	598.6	416.6	−30.4
Total dutiable imports	790.1	583.4	−26.2

The value of imports of leading dutiable commodities, except raw wool and wool manufactures, did not decline as much as the total value of all dutiable commodities. In fact, the value of imports of cotton manufactures showed a slight increase. As a result the six leading dutiable commodities constituted a larger proportion of total imports than during recent years, 24.2 per cent in 1931 and 28.6 per cent in 1932, as compared with from 15 to 20 per cent in preceding years.

Administration

Marking of articles under section 304 of the tariff act.—Added significance and importance have attached to the enforcement of the law requiring the marking of articles to indicate the country of origin

because of the provision in the department's appropriation bill requiring the Secretary of the Treasury to purchase, unless in his discretion the interest of the Government will not permit, only articles of the growth, production, or manufacture of the United States, even though such articles may cost more than those of foreign production, provided the excess of cost of the domestic articles over the foreign is not unreasonable. Similar provisions in the law require the heads of other departments to purchase domestic articles.

Importations by air mail.—There has been a material increase in the volume of importations received through the international air mail service as a result, in the main, of the establishment of air routes between the United States and Mexico, Central America, South America, and the West Indies. Regulations have been prepared (and will be promulgated at an early date) providing for the immediate redispatch of imported articles from the port of first receipt in the United States via connecting domestic air mail routes to points at or as near as possible to post offices of address for customs examination, instead of detaining the articles at ports of first receipt in the United States for customs treatment. This will materially advance the delivery of the mail.

Domestic goods returned through the mails.—The previous practice of requiring the sender of a mail shipment, addressed for delivery in a foreign country and returned to the United States undelivered, to make entry upon its return has been abrogated. Formal entry is not required where packages remain in the custody of the international postal service and are returned in substantially the same condition in which dispatched from the United States. The sender is thereby relieved from the inconvenience and expense incident to the customs entry of such returned shipments.

Customhouse brokers.—The revised regulations governing the customhouse brokerage business and the licensing of brokers is resulting in uniform administration of this branch of the service and increased efficiency in the service rendered by licensed brokers. During the fiscal year, 202 licenses were issued by the Bureau of Customs; and 4 licenses were revoked for cause after due notice and opportunity for a hearing, as provided by the statute.

Legal cases.—The number of cases pending in the legal unit of the bureau was reduced from 344 at the close of the fiscal year 1931 to 259 at the close of 1932. The pending cases in the administrative unit, however, increased from 425 to 602 during this same period.

Economy.—A most rigid program of economy was followed during the entire year—688 positions having been abolished throughout the service.

OTHER SUPERVISORY AND NONFISCAL ACTIVITIES

Coast Guard

The following is a summary of the principal operations of the Coast Guard for the fiscal year 1932 in which comparisons with the preceding year 1931 are indicated:

	1931	1932	Increase (+) or decrease (−)
Lives saved or persons rescued from peril	5, 627	5, 214	−413
Persons on board vessels assisted	25, 898	30, 847	+4, 949
Persons in distress cared for	561	659	+98
Vessels boarded and papers examined	88, 357	102, 268	+13, 911
Vessels seized or reported for violations of law	2, 929	2, 358	−571
Fines and penalties incurred by vessels reported	$369, 341	$300, 756	−$68, 585
Regattas and marine parades patrolled	114	123	+9
Instances of lives saved and vessels assisted	5, 536	6, 393	+857
Instances of miscellaneous assistance	6, 561	7, 346	+785
Derelicts and other obstructions to navigation removed or destroyed	370	371	+1
Value of derelicts recovered	$8, 020	$45, 780	+$37, 760
Value of vessels assisted (including cargoes)	$47, 959, 465	$39, 177, 247	−$8, 782, 218
Persons examined for certificates as lifeboat men	5, 595	6, 120	+525

Following three observation cruises made in March, 1932, in the ice regions near the Grand Banks of Newfoundland, the customary annual ice patrol was inaugurated on April 1. It was estimated that 528 bergs drifted south of Newfoundland from January 1 to July 2, 1932. Approximately 321 bergs were south of latitude 48° N. during April. Of the five bergs which drifted south of the tail of the banks, only one reached the steamer lanes then in use. No disasters due to collision with ice occurred. Merchant vessels and shore radio stations rendered excellent cooperation. The patrol was discontinued July 2, 1932.

In the prosecution of their duties the cutters performing the annual winter cruising on the coast, for the season December 1, 1931, to March 31, 1932, cruised 80,000 miles and afforded assistance to 29 vessels, which, including cargoes, were valued at nearly $2,500,000 and carried 374 persons. Vessels boarded and examined in the interests of the enforcement of United States laws numbered 438.

The Coast Guard continued the enforcement of the rules and regulations governing the anchorage and movements of vessels at ports and other places where Federal regulations are in effect, Coast Guard officers serving as captains of the port at a number of places.

The law enforcement duties of the Coast Guard in the prevention of liquor smuggling from the sea continued to present a problem requiring the greatest vigilance on the part of the sea and coast forces. There was a slight diminution during the year in the volume of liquor brought to the coasts of the United States for attempted smuggling

The regular annual patrol, for the season of 1931, of the waters of the North Pacific Ocean, Bering Sea, and southeastern Alaska, was conducted as usual by Coast Guard vessels. In carrying out their duties the vessels cruised more than 70,000 miles, afforded medical and dental aid to 565 persons, assisted 6 vessels in distress, boarded 46 vessels and transported 712 persons, and performed numerous other offices. The patrol for the season of 1932 was in progress at the close of the year. The Coast Guard also carried on the northern Pacific halibut fishery patrol in behalf of the Bureau of Fisheries, Department of Commerce.

In January, 1932, Coast Guard forces again were brought into action in their traditional work of rendering aid and assistance in floods. The Coast Guard dispatched personnel and boats into the flooded areas of Greenwood, Miss., and other points on tributaries of the Mississippi River, and cooperated with the Red Cross, Federal and State engineer officers, and citizens, in various forms of rescue and relief work. This service continued from January 18 to February 13, 1932.

The Coast Guard owns and operates a coastal communication system consisting of a telephone and telegraph line system of approximately 1,447 miles of pole line, 2,534 miles of open wire aerial circuits, 35 miles of aerial and underground cables, and 573 miles of submarine cable. Improvements have been made toward effecting a higher state of efficiency in handling communications by radio.

The tenth and last cutter of the 10 authorized by the act of June 10, 1926, was completed during the year. Contract for the construction work on the cutter authorized by act of April 18, 1930, for service on Lake Michigan was awarded. Seven 165-foot patrol boats in a construction program authorized by act of May 15, 1930, have been completed and placed in commission. Two additional 165-foot patrol boats in a construction program authorized by the act of February 23, 1931, were in course of construction under contract at the close of the year. Two destroyers formerly obtained from the Navy were decommissioned and returned to the custody of the Navy, and another Navy destroyer was transferred to the Coast Guard, in pursuance of the act of May 15, 1930. One cutter was sold, 2 patrol boats were disposed of, and 8 patrol boats and 2 harbor tugs have been added to the fleet of Coast Guard vessels. Six 78-foot special inshore patrol boats, started last year, are in service. Twenty-one 38-foot cabin picket boats have been completed and placed in service.

Coast Guard airplanes during the year cruised 93,750 miles, searched over an area of 2,344,250 square miles, and identified more than 2,397 vessels. The aircraft-reporting system along the Atlantic seaboard made reports on more than 14,000 passing planes. No plane using the system was lost during the year. The construction of the five new flying-boat seaplanes mentioned in last year's report is about 80 per

cent completed. Three amphibian planes have been purchased. During the year the service leased a site at Dinner Key, Fla., for the establishment of another air station and contract was entered into for the building of an airplane hangar. This station will be in commission early in the fiscal year 1933.

The Coast Guard (life-saving) station authorized to be established at or in the vicinity of the Quillayute River, Wash., was completed during the year and placed in commission. Contract was awarded during the year for the construction of the Coast Guard (life-saving) station authorized by the act of February 26, 1930, to be established at or in the vicinity of Grand Island, Mich. The appropriation for constructing and equipping the Coast Guard (life-saving) station at or near Port Orford, Oreg., was continued by the second deficiency act, fiscal year 1932, approved July 1, 1932.

In May, 1932, 28 cadets were graduated from the Coast Guard Academy and commissioned as ensigns. There were 84 cadets under instruction at the close of the year. The 1932 practice cruise for cadets began May 25, 1932, and was in progress at the close of the year.

All training of enlisted personnel was coordinated and extended during the year. The school for radiomen at New London, Conn., and the gas-engine school at Norfolk, Va., were continued. A gas-engine school was established at Buffalo, N. Y. The Navy cooperated in the training of personnel, and many Coast Guard men attended Navy schools during the year. One hundred and ninety-eight men were graduated from the schools mentioned, and 53 were in attendance at the close of the year. The work at the Coast Guard Institute, at New London, has greatly increased. In the course of the year, 168 International Correspondence School diplomas and 477 Institute Educational certificates were awarded. At the close of the year there was enrollment of 2,978 men.

A receiving unit was maintained at New London, where newly enlisted men receive about three months' training before being transferred to units of the service for duty.

Service discipline continues to be satisfactory, and it is gratifying to note that a high standard of morale obtains among the forces. The service operations, throughout, during the year were most satisfying.

The Secretary of the Treasury, under the provisions of law, awarded during the year 5 gold and 35 silver life-saving medals of honor, and 1 silver second service bar.

The death on May 17, 1932, of Rear Admiral Frederick C. Billard, Commandant of the Coast Guard, removed from the public service one whose character and ability throughout his career were of the highest type. Admiral Billard entered the Coast Guard in 1894 and

from 1924 was commandant of the service during its period of greatest expansion and development. Through his death the Government has lost a most devoted, able, and trusted public servant.

Public Health Service

In spite of the unfavorable economic conditions during the calendar year 1931 and the first six months of 1932, reports to the Public Health Service from State and local health departments and other sources indicate low morbidity and mortality rates for the notifiable diseases as compared with preceding years. The general death rate from all causes for the year 1931 was one of the lowest ever recorded.

Infant mortality has shown a decline in the United States since 1915. In that year there were 100 deaths of infants under one year of age per 1,000 live births; in 1930 there were 64.7 such deaths; and in 1931 the rate was 61.7. The birth rate in the United States continued to decline. For the year 1931 there were 17.8 births per 1,000 population, as compared with 18.9 in 1930, and 24.9 in 1915, when comparable statistics of births were first collected.

During the first four months of 1931 there was a considerable increase in the prevalence of influenza, but the disease was mild and pneumonia developed in comparatively few cases.

During the summer and fall of 1931 there was a serious outbreak of infantile paralysis in the Northeastern States. New York, Massachusetts, Connecticut, Michigan, and New Jersey reported the greatest numbers of cases. In Ohio, Kansas, California, and some other States the prevalence was less than it was in 1930, but the incidence in the country as a whole was greater than it had been for any other year since 1916.

The number of deaths from pellagra decreased in 1931 as compared with 1930.

The death rate for tuberculosis showed a further decrease, the rate for 1931, 66.3 per 100,000 population, being the lowest ever recorded for this disease by the Public Health Service.

The proposed International Sanitary Convention for Aerial Navigation, which was prepared and presented in May, 1930, by the permanent committee of the International Office of Public Hygiene, of which the Surgeon General of the Public Health Service is a member representing the United States, was submitted during the year for informal consideration and recommendation of various interested governments, and the comments and recommendations transmitted by the responding governments received the further consideration of the permanent committee at its meeting in Paris in April, 1932, resulting in the adoption of the revised draft of the convention which

will soon be formally presented to the various interested governments for ratification.

For several years increasing international attention has been given to the fumigation of ships for the destruction of rats, a subject important to the International Office of Public Hygiene in Paris under the provisions of the International Sanitary Convention of Paris of 1926. The advantages of ship fumigation procedures as carried out to-day in the United States are recognized internationally. During the year a special committee of fumigation experts, appointed by the League of Nations, visited the United States for the purpose of making practical studies of our procedure. The Surgeon General of the Public Health Service is chairman of this committee.

Early in the fiscal year an informal agreement was entered into between the Public Health Service and the Quarantine Service of Cuba, providing for the mutual recognition by the respective quarantine authorities of certificates given to maritime vessels by either authority pertaining to the elimination of rats or absence of rat infestation.

The regulations governing the importation of parrots into ports of the United States, prescribed in accordance with the provisions of Executive Order No. 5264, approved January 24, 1930, continued in force during the year. Consideration is being given to the advisability of extending these regulations. In the meanwhile, research studies on psittacosis, or parrot fever, are being continued by the Public Health Service. The subject is receiving international attention, a commission having been appointed by the International Office of Public Hygiene to study the problem and make recommendations.

The Public Health Service continued its cooperation with State and local authorities in preventing the interstate spread of disease and in developing local health organizations through studies and demonstrations in rural sanitation and through its expert consultation service on public health organization and administration, and its cooperation with departments and bureaus of the Federal Government on sanitary engineering and environmental sanitation problems.

Measures directed against the interstate spread of disease included cooperation with State authorities in the certification of drinking-water supplies used by common carriers, cooperation in the sanitary control over shellfish production and distribution, inspection of drinking and culinary water systems on vessels, railway sanitation, cooperation in the eradication of endemic foci of trachoma, and plague suppressive activities in California.

In addition to the regular studies of and demonstrations in rural sanitation in cooperation with State and local health authorities, the work in the drought-stricken areas made possible through the emergency appropriation of $2,000,000 was continued until June 30, 1932.

In spite of the conditions resulting from economic distress in the rural sections of the drought-stricken areas, there has been no serious outbreak of disease nor any increase in mortality from preventable illness during the past year.

The State of California remained free from human cases of plague, but the disease again appeared in rodents in one of the southern coastal cities of the State. This recurrence of rat plague emphasizes the necessity for continuous activity of the Public Health Service toward the control of rodent infection in the areas adjacent to cities on the California coast.

At the request of the Governor of Hawaii and with the approval of the Secretary of the Interior, an officer was detailed to assist the Territorial Board of Health in the control and eradication of bubonic plague in the islands, following the report of a human case.

Studies of two major treatments of stream pollution, water purification and natural stream purification, have developed to the point where it is believed that the third major treatment of stream pollution, sewage treatment, should be given increased consideration. The program at the stream pollution laboratory at Cincinnati, Ohio, has therefore been modified in furtherance of this plan and an experimental activated sludge treatment plant is under construction.

Activities were continued during the year involving studies and investigations of the cause, treatment, and prevention of the venereal diseases, cooperation with State boards or departments of health for the prevention and control of such diseases within the respective States, and the control and prevention of the spread of these diseases in interstate traffic. Cooperation with the States has included the distribution of educational material, the development of State venereal disease programs, and the organization of improved treatment facilities.

Investigations of heart disease were begun during the year, with the initial studies being concentrated on rheumatic heart disease. Dental studies have been undertaken.

Special studies dealing with the subject of narcotic drugs and the narcotic drug addiction problem have also been conducted. The establishment of United States narcotic farms and supervision and furnishing of medical services for Federal prisons has progressed satisfactorily.

Medical treatment for sick and injured American merchant seamen, a national policy since 1798, was furnished in 25 marine hospitals and by contract in 188 non-Government hospitals in 116 ports in the United States and its possessions. Seamen remain the most numerous class of legal beneficiaries, among which are included the Coast Guard and certain other nautical employees of the Government, as well as injured civilian Federal employees, immigrants, and lepers. Many

important collateral medical functions were performed, such as physical examinations of civil service applicants and employees and special physical examinations legally required by the Steamboat Inspection Service for licensed ships' officers and able-bodied seamen.

An appropriation of $750,000 was made available, as provided in the act of Congress approved May 26, 1930, for additional buildings at the National Institute of Health. Work has been begun on a laboratory building and an administration building on the present site of the National Institute of Health.

The hospital building program, which is designed to remove serious fire hazards and otherwise improve and enlarge certain marine hospitals, is progressing satisfactorily. The new marine hospitals in New Orleans, Galveston, and San Francisco and the addition at Key West have been completed and occupied. The Seattle hospital will be finished early in 1933. Construction has begun on the hospital buildings at Mobile, Detroit, Chicago, Louisville, Evansville, and Baltimore. Plans are nearly completed for the buildings at Memphis, Stapleton, and Norfolk. The most important hospital project for which allocation, but not appropriation, has been made is for the National Leper Home at Carville, La., where an infirmary building for bedfast patients requiring intensive nursing is badly needed, and certain other hospital buildings are required.

Bureau of Narcotics

The Bureau of Narcotics has continued to operate under the plan of organization established under the act of June 14, 1930, and to direct its main activities toward the apprehension of major law violators, the elimination of the sources of illicit supply of narcotic drugs and the channels of their distribution, and the control of the legitimate manufacture and distribution of such drugs for medical purposes.

The usual close cooperation between this bureau and the Bureau of Customs, supplemented by the arrangements for international exchange of information relating to illicit shipments between countries, has existed throughout the year. Unusual success in detecting and confiscating illicit shipments during the previous year discouraged attempts at smuggling to such a degree that the supply of drugs available to the addict and illicit peddler has been materially lessened. As a consequence there has been a noticeable tendency toward the robbing of legitimate stocks and the forging of order forms and prescriptions to procure supplies of drugs.

This situation is reflected in the statistics of seizures of drugs in the illicit traffic during the year, there being seized at ports or border points 15,801 ounces of narcotic drugs as compared with 66,674 ounces during the previous year. Narcotic drugs seized or purchased as evidence from illicit sources by Federal narcotic enforcement

officers amounted to 8,334 ounces as compared with 41,622 ounces during the previous year. The decrease in the supply of drugs in the illicit market is also due in part to the cooperation of certain European governments in restricting their manufacture.

During the year 5,108 criminal cases were reported by Federal narcotic officers, as compared with 6,075 the previous year. There were 3,048 convictions, the average sentence imposed being 2.73 years. Fines imposed for violations of the narcotic laws amounted to $151,253.52, and the 171 cases compromised resulted in the payment into the Treasury of $20,007.50. One hundred aliens were ordered deported for violation of or conspiracy to violate narcotic laws and the cases of 172 persons reported to the Department of Labor for such offenses were pending at the close of the year.

On June 30, 1932, there were 331,063 registrations under the Harrison narcotic law, as amended, 253 as importers and manufacturers, 1,523 as wholesale dealers, 52,539 as retail dealers, 148,556 as practitioners, and 128,192 as dealers in and manufacturers of untaxed narcotic preparations.

Very satisfactory progress has been made in a number of the districts in developing the further cooperation of State, county, or municipal authorities in dealing with minor violators under local laws and in providing institutional treatment for addicts. Some cooperation has also been secured from a number of the State licensing boards in dealing with licensed practitioners found to be violating the narcotic laws, though results in this respect are not as satisfactory as desired. A final draft of a proposed uniform State narcotic law, prepared by the conference of State commissioners with the collaboration of the bureau, is expected to be ready for submission to the legislatures of the several States in the near future.

The bureau has continued to receive the cooperation of the division of mental hygiene in the United States Public Health Service in determining quantities of crude drugs to be permitted importation into the United States, and with reference to other matters connected with narcotic law enforcement.

The control of the legal importation, manufacture, and distribution of narcotic drugs continues reasonably effectual. The quantity of drugs of domestic manufacture which is diverted to illicit use remains comparatively negligible, notwithstanding the tendency toward petty diversions through the robbing of stocks and forging of order forms. Suppression of the smuggling and selling of opium, morphine, heroin, and cocaine continue to constitute the bureau's principal enforcement problem.

Bureau of Industrial Alcohol

The functions of the Bureau of Industrial Alcohol comprise chiefly the direct supervision of the production of industrial alcohol under

restrictions designed to prevent the diversion of such alcohol to illegal uses and, in conjunction with the Attorney General, the control of permits relating to the manufacture, sale, and use of alcohol.

The administration of the provisions of the national prohibition act relating to industrial alcohol and liquors for medicinal purposes entails the supervision of the operation of the largest chemical and drug manufacturers in the country whose productions are essential materials in the manufacture of varnishes, paints, lacquers, smokeless powders, artificial silk, dyes, essential medicinal alkaloids, and coal-tar derivatives. In the medicinal field the supervision covers hospital and other professional uses of alcohol and medicinal liquors. The bureau supervises the procurement and use of alcohol in the research and educational field, and the production and distribution of wine for sacramental purposes. It also supervises the production and use of ethyl alcohol, a very important industrial product. The scope of the activities of the bureau is indicated by the fact that 185,863 permits were issued during the fiscal year 1932 for the various uses indicated above.

During the year 1,711,029 gallons of whisky were produced under permit at six distilleries. It is estimated that this quantity with the stock already in bond, will provide the five-year supply for medicinal purposes necessitated by the fact that the law does not permit the bottling of whisky in bond until it has aged four years in a bonded warehouse.

The manufacture of synthetic ethyl alcohol from ethylene gas, now a recognized source of industrial alcohol on a large scale, amounted to more than 14,000,000 gallons during the year.

Laboratory research and experimentation to develop improved denaturing formulæ that will better meet the requirements both of industry and of prohibition enforcement were continued. The extreme care exercised in approving preparations manufactured with specially denatured alcohol has reduced to a minimum the illegal distillation of alcoholic preparations to obtain alcohol for illegal purposes.

During the past year the development of three new nontoxic denaturants, calorite, pontol, and tecsol, marks a distinct advance in denaturing alcohol for general purposes, available to the trade and the public without a permit. Through intensive research by the technical division and the cooperation and assistance of the corporations manufacturing these products, more progress has been made, it is believed, during the past year in developing efficient and satisfactory denaturants for completely denatured alcohol than during the entire period since the advent of national prohibition.

Under amended regulations all completely denatured alcohol in containers exceeding five-gallon capacity must now be distributed in one-

way steel drums with embossed serial numbers and symbols identifying the producer. This makes it possible to trace shipments back to the original producer and will assist in preventing the diversion of completely denatured alcohol for illegal purposes.

Attention is invited to the attached reports of the various bureaus and divisions of the Treasury Department and to the exhibits and tables accompanying the report on the finances.

OGDEN L. MILLS,
Secretary of the Treasury.

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

ADMINISTRATIVE REPORTS OF BUREAUS AND DIVISIONS

ADMINISTRATIVE REPORTS OF BUREAUS AND DIVISIONS

OFFICE OF THE COMMISSIONER OF ACCOUNTS AND DEPOSITS

Railroad obligations

The total receipts during the fiscal year on account of railroad securities amounted to $1,690,284.02, of which $1,016,741.91 was on account of principal and $673,542.11 was on account of interest. The railroad obligations have been gradually reduced each year until the principal outstanding at the close of the fiscal year 1932 amounted to only $38,925,890.94. The following statement shows the total amount of railroad obligations by classes originally held by the United States Government, the amount held on June 30, 1932, and payments received on account:[1]

Railroad obligations held originally by the United States Government, amount held June 30, 1932, and total payments of principal and interest received

	Principal amount originally held	Principal amount held on June 30, 1932	Total payments received	
			Principal	Interest
Federal control act:				
Equipment trust notes	$346, 556, 750. 00	$100, 800. 00	$346, 455, 950. 00	$45, 281, 040. 93
Section 7	98, 401, 755. 00		98, 401, 755. 00	23, 100, 562. 27
Section 12	62, 103, 453. 28		62, 103, 453. 28	4, 248, 171. 96
Transportation act:				
Section 207	282, 712, 837. 36	5, 219, 500. 00	277, 493, 337. 36	54, 309, 248. 68
Section 210	290, 800, 667. 00	33, 605, 590. 94	257, 195, 076. 06	88, 968, 502. 00
Total	1, 080, 575, 462. 64	38, 925, 890. 94	1, 041, 649, 571. 70	215, 907, 525. 84

During the year the equipment trust notes were reduced by payments amounting to $33,600 received from the Minneapolis & St. Louis Railroad Co. A reduction was also made in the obligations acquired under section 210 of the transportation act, 1920, as amended, due to payments amounting to $983,141.91, received on account of the obligations of various carriers. For detailed statements of the obligations held and payments made on account of principal, see Tables 40 and 41, pages 431 and 432.

Sections 204 and 209.—There have been no transactions under these sections since June 30, 1931. The total payments under section 204 have amounted to $10,967,801.80 and under section 209 to $531,756,045.71. Claims for the amounts due from various carriers on account of overpayments made under section 209, aggregating $1,793,198.98, as set out in last year's annual report, are still in litigation or in the hands of the Attorney General of the United States.

Section 210.—This section established a revolving fund of $300,000,000 to be used for loans to railroads under the conditions set forth in a certificate of the Interstate Commerce Commission authorizing each loan, and also for paying judgments, decrees, and awards rendered against the Director General of Railroads. No new loans are being made, because the time for making application has

[1] Revised to include principal and interest collected by Director General.

expired. The expenditures by the Director General during the fiscal year under this section amounted to $61,532.91, making net expenditures by him on this account of $33,511,857.65 to June 30, 1932, after deducting repayments.

For a statement showing the principal amount of obligations held as of June 30, 1931 and 1932, on account of loans made, see Table 41, page 432.

The following statement shows the amounts of principal and interest due from carriers in default as of June 30, 1932, on account of their obligations for loans under this section:

Principal and interest due from carriers in default on June 30, 1932, on account of loans under section 210

Name of carrier	Principal in default	Interest in default	Total in default
Aransas Harbor Terminal Ry	$44,304.67	$1,380.71	$45,685.38
Des Moines & Central Iowa R. R	633,500.00	197,443.78	830,943.78
Fort Dodge, Des Moines & Southern R. R. Co	200,000.00	29,168.02	229,168.02
Gainesville & Northwestern R. R. Co	75,000.00	40,352.53	115,352.53
Georgia & Florida Ry., receiver	(1)	118,800.00	118,800.00
Minneapolis & St. Louis R. R. Co	1,382,000.00	708,929.73	2,090,929.73
Missouri & North Arkansas Ry. Co	(1)	1,613,255.19	1,613,255.19
Salt Lake & Utah R. R. Co	109,900.00	392,614.80	502,514.80
Seaboard Air Line Ry. Co	(1)	1,435,759.73	1,435,759.73
Virginia Blue Ridge Ry. Co	106,000.00	38,160.00	144,160.00
Virginia Southern R. R. Co	38,000.00	14,450.09	52,450.09
Waterloo, Cedar Falls & Northern Ry. Co	400,000.00	781,270.29	1,181,270.29
Wichita Northwestern Ry. Co	381,750.00	194,692.50	576,442.50
Wilmington, Brunswick & Southern R. R. Co	90,000.00	10,800.00	100,800.00
Total	3,460,454.67	5,577,077.37	9,037,532.04

[1] Principal not yet due.

Securities owned by the United States Government

The aggregate amount of securities owned by the Government on June 30, 1932, as compiled from the latest reports received, was $13,441,591,969.60, as against $12,333,717,959.69 on June 30, 1931, an increase of $1,107,874,009.91. A summary comparison of the holdings at the end of the last two fiscal years is as follows:

Summary of securities owned by the United States on June 30, 1931 and 1932

Security	June 30, 1931	June 30, 1932	Increase (+) or decrease (−)
Foreign obligations:			
Received under debt settlements	$11,062,897,683.63	$11,094,105,696.50	+$31,208,012.87
All other	683,211,013.88	683,211,013.88	
Total	11,746,108,697.51	11,777,316,710.38	+31,208,012.87
Capital stock of war emergency corporations	46,673,080.14	49,514,345.42	+2,841,265.28
Reconstruction Finance Corporation		767,735,208.55	+767,735,208.55
Railroad obligations	39,942,432.85	38,925,690.94	−1,016,741.91
Capital stock of Panama Railroad	7,000,000.00	7,000,000.00	
Capital stock of Inland Waterways Corporation	12,000,000.00	12,000,000.00	
Capital stock of Federal land banks:			
Original act of July 17, 1916	237,733.00	175,939.25	−61,793.75
Act of Jan. 23, 1932		125,000,000.00	+125,000,000.00
Capital stock of Federal intermediate credit banks	30,000,000.00	32,000,000.00	+2,000,000.00
Miscellaneous securities received by War and Navy Departments, United States Shipping Board, and Federal Farm Board	451,756,016.19	631,924,075.06	+180,168,058.87
Total	12,333,717,959.69	13,441,591,969.60	+1,107,874,009.91

There was a net increase during the year of $31,208,012.87 in the principal amount of foreign obligations held by the United States. This increase is due to the receipt of additional bonds from the Governments of Estonia and Poland representing the funding of the difference between the amounts paid by those Governments under certain options provided for under the respective debt funding agreements and the amounts due under the regular schedules of payment, together with interest at 3 per cent per annum. The net amount by which Estonia's indebtedness was increased was $2,636,-012.87 and that of Poland, $28,572,000.

There was a net increase of about $2,800,000 on account of the capital stock of war emergency corporations due to the decrease of cash balances held by those corporations in the Treasury, which cash balances are offset against the capital stock of these corporations owned by the United States.

Other increases comprise $500,000,000 for the capital stock of the Reconstruction Finance Corporation and an additional $267,735,000 representing net payments from credits established on account of the purchase by the Secretary of the Treasury of obligations of the corporation under section 9 of the Reconstruction Finance Corporation act; $125,000,000 for additional capital stock of the Federal land banks as authorized by the act approved January 23, 1932; an increase of $2,000,000 in the capital stock of the Federal intermediate credit banks of Houston and Spokane in the amount of $1,000,000 each; and a net increase of about $180,000,000 in miscellaneous securities due principally to additional securities received on account of the Federal Farm Board.

A detailed statement of the securities held on June 30, 1932, will be found as Table 39, page 428.

Trust funds invested by the Treasury

Adjusted service certificate fund.—Investments for the account of the adjusted service certificate fund, created by the act of May 19, 1924, were made during the fiscal year 1932 in special issues of Treasury obligations bearing interest at the rate of 4 per cent per annum in accordance with the procedure outlined on pages 118–120 of the Annual Report of the Secretary of the Treasury for the fiscal year 1925.

Investments made during the year amounted to $393,300,000, of which $200,000,000 represented funds appropriated by Congress under the provisions of Public Resolution No. 2, approved December 21, 1931; $193,100,000 represented the principal proceeds of maturing notes reinvested; and $200,000 was derived from interest on investments. During the year $410,100,000 face amount of securities were redeemed on account of the adjusted service certificate fund, the proceeds of which, together with interest thereon, were credited to the fund.

A statement of the fund as of June 30, 1932, follows:

Adjusted service certificate fund, June 30, 1932

FUND ACCOUNT

Appropriations:		
To June 30, 1931	$896,000,000.00	
Available Dec. 21, 1931	200,000,000.00	
		$1,096,000,000.00
Interest on investments:		
To June 30, 1931	94,781,707.35	
July 1, 1931, to June 30, 1932	3,018,641.12	
		97,800,348.47
		1,193,800,348.47
Checks paid by Treasurer of the United States, less credits on account of repayments of loans and interest thereon		1,082,043,582.82
Balance in fund June 30, 1932		111,756,765.65

FUND ASSETS

Investments: 4 per cent Treasury certificates of indebtedness	105,000,000.00
Unexpended balances:	
To credit of disbursing officers of the Veterans' Administration with the Treasurer of the United States	6,729,103.00
To credit of fund on books of the Division of Bookkeeping and Warrants	27,662.65
Total fund assets June 30, 1932	111,756,765.65

Civil service retirement and disability fund.—The civil service retirement and disability fund was created by the act of May 22, 1920. During 1932 the Treasury continued to make investments for account of the fund in special issues of Treasury notes bearing interest at the rate of 4 per cent per annum in accordance with the procedure outlined in the Annual Report of the Secretary of the Treasury for the fiscal year 1926.

Total credits to the fund during the fiscal year amounted to $61,441,518.45, of which $31,852,705.60 was on account of deductions from basic compensation of employees and service credit payments, $8,588,812.85 represented interest on investments, $20,850,000 was appropriated by Congress to fulfill the current liability of the United States Government in connection with the fund, and $150,000 was appropriated from the revenues of the District of Columbia to cover its liability on account of the fund. Pursuant to the second paragraph of section 9 of the act of March 2, 1931, there was transferred from the civil service retirement and disability fund to the Canal Zone retirement and disability fund the sum of $1,430,808.84, representing the amount certified to the Secretary of the Treasury by the Administrator of Veterans' Affairs as the amount, including interest to June 30, 1931, due from the civil service retirement fund to employees of the Panama Canal coming within the purview of the Canal Zone retirement act. After deducting this transfer the net credits to the fund amounted to $60,010,709.61. Expenditures on account of refunds to employees, annuities, etc., amounted during the fiscal year to $27,436,014.53 as compared with $23,930,706.21 for the previous year. The total earnings and profits on investments to June 30, 1932, amounted to $39,478,331.75.

The following statement shows the status of the fund as of June 30, 1932:

Civil service retirement and disability fund, June 30, 1932

Credits:		
On account of deductions from basic compensation of employees and service credit payments—		
From Aug. 1, 1920, to June 30, 1931	$229,844,743.61	
July 1, 1931, to June 30, 1932	31,852,705.60	
	261,697,449.21	
Less amount transferred to Canal Zone retirement and disability fund under act of May 2, 1931	1,430,808.84	
		$260,266,640.37
Appropriations—		
To June 30, 1931	61,450,000.00	
Available July 1, 1931	[1] 21,000,000.00	
		82,450,000.00
Interest and profits on investments—		
From Aug. 1, 1920, to June 30, 1931	30,889,518.90	
July 1, 1931, to June 30, 1932	8,588,812.85	
		39,478,331.75
		382,194,972.12
Less checks paid by Treasurer of the United States, on account of annuities and refunds—		
From Aug. 1, 1920, to June 30, 1931	130,927,492.58	
July 1, 1931, to June 30, 1932	27,436,014.53	
		158,363,507.11
Total		223,831,465.01

Assets:			
Face amount		*Principal cost*	
$22,695,050	fourth Liberty loan 4¼ per cent bonds	$22,399,454.01	
47,800,000	4 per cent special Treasury notes payable June 30, 1933	47,800,000.00	
35,800,000	4 per cent special Treasury notes payable June 30, 1934	35,800,000.00	
32,400,000	4 per cent special Treasury notes payable June 30, 1935	32,400,000.00	
64,200,000	4 per cent special Treasury notes payable June 30, 1936	64,200,000.00	
20,100,000	4 per cent special Treasury notes payable June 30, 1937	20,100,000.00	
			222,699,454.01
222,995,050			
Unexpended balances June 30, 1932—			
	Treasurer of the United States, disbursing account	868,611.84	
	On books of Division of Bookkeeping and Warrants	263,399.16	
			1,132,011.00
Total fund assets June 30, 1932			223,831,465.01

[1] Includes $20,850,000 appropriated from the General Fund to cover the liability of the United States, and $150,000 appropriated from the revenues of the District of Columbia to cover its liability in connection with the financing of the fund.

Foreign service retirement and disability fund.—The foreign service retirement and disability fund was established by section 18 of the act of May 24, 1924 (43 Stat. 144), and is under the administrative supervision of the Secretary of State, but under the act the Secretary of the Treasury is directed to make investments from time to time of such portion of the fund as in his judgment may not be immediately required for authorized payments, the income derived from such investments to be credited to the fund as a part thereof.

Investments for account of the foreign service retirement and disability fund were made during the fiscal year 1932 in special issues of Treasury notes in the face amount of $453,000, bearing interest at the rate of 4 per cent per annum in accordance with the procedure outlined in the Annual Report of the Secretary of the Treasury for the fiscal year 1927. Redemptions during the year amounted to $136,000 face amount, making the net investments $317,000.

Credits to the fund during the year aggregated $453,583.23, of which $173,904.54 was on account of deductions from basic compensation of employees and service credit payments, $64,678.69 represented earnings on investments, and $215,000 was appropriated by Congress to meet the current liability of the Government in connection with the fund. Net advances to the disbursing officer of the State Department for the payment of annuities and refunds, etc., amounted during the fiscal year to $136,000 as compared with $106,000 for the

previous year. The total interest and profits credited to the fund to June 30, 1932, amounted to $217,833.49.

The following statement shows the status of the fund as of June 30, 1932:

Foreign service retirement and disability fund, June 30, 1932

Credits:		
On account of deductions from basic compensation and service credit payments—		
From May 24, 1924, to June 30, 1931	$1,113,156.99	
July 1, 1931, to June 30, 1932	173,904.54	
		$1,287,061.53
Appropriations—		
To June 30, 1931	645,000.00	
Available July 1, 1931	215,000.00	
		860,000.00
Interest and profits on investments—		
From May 24, 1924, to June 30, 1931	153,154.80	
July 1, 1931, to June 30, 1932	64,678.69	
		217 833.49
		2,364,895.02
Less checks paid by Treasurer of the United States, on account of annuities and refunds:		
From May 24, 1924, to June 30, 1931	611,385.56	
July 1, 1931, to June 30, 1932	127,123.47	
		738,509.03
Balance in fund June 30, 1932		1,626,385.99
Assets:		
Face amount	*Principal cost*	
$142,000 4 per cent special Treasury notes due June 30, 1933	$142,000.00	
454,000 4 per cent special Treasury notes due June 30, 1934	454,000.00	
509,000 4 per cent special Treasury notes due June 30, 1935	509,000.00	
440,000 4 per cent special Treasury notes due June 30, 1936	440,000.00	
61,000 4 per cent special Treasury notes due June 30, 1937	61,000.00	
1,606,000		1,606,000.00
Unexpended balance June 30, 1932—		
Treasurer of the United States, disbursing account	19,344.90	
On books of Division of Bookkeeping and Warrants	1,041.09	20,385.99
Total fund assets June 30, 1932		1,626,385.99

Canal Zone retirement and disability fund.—The Canal Zone retirement and disability fund was created by section 9 of the act of March 2, 1931 (46 Stat. L., 1477). It is under the administrative supervision of the Administrator of Veterans' Affairs, but under section 10 of the act the Secretary of the Treasury is directed to make investments from time to time of such portions of the fund as in his judgment may not be immediately required for the payment of the annuities, refunds, and allowances authorized by the act, the income from such investments to be credited to the fund.

Investments for account of this fund in the face amount of $2,070,000 were made during the fiscal year 1932 in special issues of Treasury notes bearing interest at the rate of 4 per cent per annum in accordance with the procedure outlined on page 125 of the Annual Report of the Secretary of the Treasury for the fiscal year 1931. Redemptions during the year amounted to $6,000 face amount, making net investments of $2,064,000 for the year. Credits to the fund during the year aggregated $2,274,127.25, of which $420,948.52 was on account of deductions from basic compensation of employees and service credit payments; $1,430,808.84 was transferred from the civil service retirement and disability fund pursuant to the second paragraph of section 9 of the act; $355,984 was received from the Panama Railroad Co. under the third paragraph of section 9 of the act; and $66,385.89 represented earnings on investments. The net payments on account of annuities and refunds during the fiscal year amounted to $184,006.46.

The following statement shows the status of the fund as of June 30, 1932:

Canal Zone retirement and disability fund, June 30, 1932

Credits:		
On account of deductions from basic compensation of employees subject to retirement act		$420,948.52
Transferred from civil service retirement and disability fund		1,430,808.84
Payment by Panama Railroad Co.		355,984.00
On account of interest on investments		66,385.89
		2,274,127.25
Less checks paid by Treasurer of the United States, on account of annuities and refunds		184,006.46
Balance in fund June 30, 1932		2,090,120.79
Assets:		
$1,998,000 4 per cent special Treasury notes, maturing June 30, 1936	$1,998,000.00	
66,000 4 per cent special Treasury notes, maturing June 30, 1937	66,000.00	
2,064,000		2,064,000.00
Unexpended balances June 30, 1932—		
Treasurer of the United States, disbursing account	11,795.48	
On books of Division of Bookkeeping and Warrants	14,325.31	
		26,120.79
Total fund assets June 30, 1932		2,090,120.79

District of Columbia teachers' retirement fund.—The act of January 15, 1920, as amended by the District of Columbia appropriation act of June 5, 1920, vested the administration of this fund in the Commissioners of the District of Columbia, except that it was directed that such funds shall be held and invested by the Treasurer of the United States. A further amendment of June 11, 1926, created a reserve fund, provided for annual appropriations to this end, and provided that investments on account of such fund shall be held by the Treasurer of the United States separate from the investments on account of contributions of teachers. During the fiscal year 1932, the Treasurer purchased for account of the deductions fund (derived from deductions from teachers' compensation) $351,200 face amount of United States bonds at a principal cost of $351,862.69, as follows:

Class of security	Face amount	Principal cost
4¼ per cent fourth Liberty loan bonds	$59,000	$59,525.63
4¼ per cent Treasury bonds of 1947–1952	71,200	74,708.00
4 per cent Treasury bonds of 1944–1954	79,000	79,366.25
3¾ per cent Treasury bonds of 1946–1956	39,000	38,987.81
3⅜ per cent Treasury bonds of 1943–1947	48,000	49,500.00
3⅜ per cent Treasury bonds of 1941–1943	55,000	49,775.00
	351,200	351,862.69

There were also purchased for account of the Government reserves fund $246,000 face amount of United States bonds at a principal cost of $250,835.31, as follows:

Class of security	Face amount	Principal cost
4¼ per cent fourth Liberty loan bonds	$21,000	$21,183.75
3¾ per cent Treasury bonds of 1946–1956	15,000	14,995.31
3⅜ per cent Treasury bonds of 1943–1947	199,000	204,701.25
3⅜ per cent Treasury bonds of 1941–1943	11,000	9,955.00
	246,000	250,835.31

The following statement shows the status of the combined funds as of June 30, 1932:

District of Columbia teachers' retirement fund, June 30, 1932

Credits:		
On account of deductions from basic compensation of teachers—		
From Jan. 15, 1920, to June 30, 1931	$2,826,407.96	
July 1, 1931, to June 30, 1932	284,268.53	
		$3,110,676.49
Appropriations—		
To June 30, 1931	1,869,940.91	
Available July 1, 1931	400,000.00	
		2,269,940.91
Interest on investments—		
From Jan. 15, 1920, to June 30, 1931	680,653.01	
July 1, 1931, to June 30, 1932	178,197.28	
		858,850.29
		6,239,467.69
Less disbursements on account of annuities, refunds, etc.:		
From Jan. 15, 1920, to June 30, 1931	1,451,675.33	
July 1, 1931, to June 30, 1932	278,705.02	
		1,730,380.35
Balance in fund June 30, 1932		4,509,087.34

Assets:

Face amount		Principal cost	
	DEDUCTIONS FUND		
$26,850	4¼ per cent first Liberty loan converted bonds	$27,529.64	
794,750	4¼ per cent fourth Liberty loan bonds	763,896.90	
81,200	4¼ per cent Treasury bonds of 1947–1952	84,708.00	
55,000	3⅜ per cent Treasury bonds of 1941–1943	49,775.00	
48,000	3⅜ per cent Treasury bonds of 1943–1947	49,500.00	
39,000	3¾ per cent Treasury bonds of 1946–1956	38,987.81	
79,000	4 per cent Treasury bonds of 1944–1954	79,366.25	
55,320	4 per cent Federal farm loan bonds	54,660.95	
1,358,880	4¼ per cent Federal farm loan bonds	1,313,830.89	
459,440	4½ per cent Federal farm loan bonds	467,020.91	
91,380	4¾ per cent Federal farm loan bonds	94,627.91	
1,000	5 per cent Federal farm loan bonds	1,030.00	
182,000	4½ per cent Philippine Islands bonds	197,669.56	
3,271,820		3,222,603.82	
	GOVERNMENT RESERVES FUND		
21,000	4¼ per cent fourth Liberty loan bonds	21,183.75	
15,000	3¾ per cent Treasury bonds of 1946–1956	14,995.31	
199,000	3⅜ per cent Treasury bonds of 1943–1947	204,701.25	
11,000	3⅜ per cent Treasury bonds of 1941–1943	9,955.00	
215,640	4 per cent Federal farm loan bonds	208,050.78	
819,600	4¼ per cent Federal farm loan bonds	776,281.48	
100	4¾ per cent Federal farm loan bonds	101.64	
1,281,340		1,235,269.21	
			4,457,873.03
	Accrued interest paid in 1932 (on investment purchases), repayable in 1933		581.98
	Unexpended balance June 30, 1932, on books of Division of Bookkeeping and Warrants		50,632.33
	Total fund assets June 30, 1932		4,509,087.34

Library of Congress trust fund.—Under the act of March 3, 1925, as amended, a Library of Congress Trust Fund Board, consisting of the Secretary of the Treasury, the chairman of the Joint Committee on the Library, the Librarian of Congress, and two persons appointed by the President, is authorized to accept, receive, hold, and administer such gifts or bequests of personal property for the benefit of or in connection with the library, its collections, or its service as may be approved by the board and by the Joint Committee on the Library. The moneys or securities given or bequeathed to the board are required to be receipted for by the Secretary of the Treasury, who is authorized to invest, reinvest, or retain investments as the board may determine. In accordance with the policy adopted by the board, investments and reinvestments of the trust funds are made in interest-bearing securities of high rating.

The following statement shows the earnings collected on account of each donation as of June 30, 1932:

Library of Congress trust fund earnings to June 30, 1932

Donation	Income account		
	Total collected to June 30, 1931	Collected during fiscal year 1932	Total collected to June 30, 1932
Babine	$127.48	$194.27	$321.75
Beethoven	720.46	504.75	1,225.21
Benjamin	14,592.50	3,042.00	17,634.50
Bowker	445.79	84.30	530.09
Carnegie	12,919.42	3,733.84	16,653.26
Coolidge	39,834.65	7,396.61	47,231.26
Guggenheim	5,291.37	3,785.15	9,076.52
Huntington	21,437.46	6,722.50	28,159.96
Wilbur	23,957.77	9,987.15	33,944.92
Total	119,326.90	35,450.57	154,777.47

The following statement shows the principal cash accounts for each donation:

Library of Congress trust fund—Cash receipts, cost of investments, and unexpended balances, fiscal year 1932

Donation	Principal account				
	Unexpended balance June 30, 1931	Cash receipts during fiscal year 1932	Cash available during fiscal year	Cost of investments made during fiscal year	Unexpended balance June 30, 1932
Babine	$3,320.41		$3,320.41	$3,282.25	$38.16
Beethoven	4.00		4.00		4.00
Benjamin	26.62		26.62		26.62
Coolidge	10,102.26	$261.67	10,363.93	10,325.55	38.38
Guggenheim	39.60		39.60		39.60
Huntington	33.75		33.75		33.75
Wilbur	382.46	2,372.50	2,754.96	2,715.00	39.96
Total	13,909.10	2,634.17	16,543.27	16,322.80	220.47

The board received on account of the securities held in the donation made by Mrs. Elizabeth Sprague Coolidge subscription rights to 6⅝ shares of common stock of the Public Service Co. of Northern Illinois, and 12⁴⁄₁₀ shares of common stock of the Commonwealth Edison Co. The subscription rights were sold on the market for $261.67. The board also received on account of the securities held in the donation of James B. Wilbur subscription rights to 125 shares of common stock of the Public Service Co. of Northern Illinois. The subscription rights were sold on the market for $2,372.50. Investments made during the fiscal year 1932 were as follows:

Donation	Face amount	Securities	Principal cost
Babine	$3,800	4¼ per cent Federal land bank bonds due July 1, 1956	$3,282.25
Coolidge	11,640	do	10,054.05
Do	300	3⅜ per cent Treasury bonds of 1940-1943	271.50
Wilbur	3,000	do	2,715.00
Total	18,740		16,322.80

The following statement shows the securities held by the board for account of each donation as of June 30, 1932. The securities are held in safe-keeping by the Treasurer of the United States, and the Federal Reserve Bank of New York, subject to the order of the Secretary of the Treasury for account of the board.

Library of Congress Trust Fund Board securities held June 30, 1932

Name of security	Face amount	Rate	Class of security
Alexis V. Babine donation		*Per cent*	
American Chain Co. (Inc.)	$600.00	7	Preferred stock.
Federal land bank bonds	3,800.00	4¼	Farm loan bonds.
United States Government	2,000.00	4¼	Fourth liberty loan bonds of 1933-1938.
Tung-Sol Lamp Works (Inc.) 2 shares	([1])		Preferred stock.
Tung-Sol Lamp Works (Inc.) 4 shares	([1])		Common stock.
Beethoven Association donation			
Canadian National Railways	10,000.00	5	Guaranteed gold bonds.
Federal land bank bonds	100.00	4¾	Farm loan bonds.
William E. Benjamin donation			
Standard Oil Company of California	33,800.00		Common stock.
R. R. Bowker donation [2]			
Austrian Government	1,000.00	7	Sinking fund bonds guaranteed loan.
Detroit Edison Company	5,000.00	5	First mortgage bonds.
German Government	2,000.00	7	German external loan.
Japanese Government	2,000.00	6½	Sinking fund gold bonds.
Carnegie donation			
Commonwealth Edison Company	52,000.00	4½	First mortgage bonds.
Federal land bank bonds	80.00	4¾	Farm loan bonds.
Missouri Pacific Railroad Company	5,000.00	5	First and refunding mortgage bonds.
New England Telephone & Telegraph Co.	25,400.00	4½	First mortgage bonds.
Elizabeth Sprague Coolidge donation			
Canadian National Railways Company	7,000.00	4¾	Guaranteed gold bonds.
Do.	10,000.00	5	Do.
Chicago Railways Company	4,250.00	5	First mortgage bonds.
Federal land bank bonds	11,640.00	4¼	Farm loan bonds.
Do.	2,300.00	4½	Do.
Do.	680.00	4¾	Do.
Great Northern Railway Company	10,000.00	7	General mortgage bonds.
Houston Home Telephone Company	100.00	5	First mortgage bonds.
Missouri Pacific R. R. Company	2,000.00	5	First and refunding mortgage bonds.
New England Telephone & Telegraph Co.	16,400.00	4½	First mortgage bonds.
Public Service Co. of Northern Illinois	13,000.00	5	First and refunding mortgage bonds.
Rio Grande Southern Railroad Company	1,000.00	4	First mortgage bonds.
United States Government	300.00	3⅜	Treasury bonds of 1940-1943.
Utah Power and Light Company	10,000.00	5	First mortgage bonds.
American Ship Building Company	6,000.00		Common stock.
American Telephone & Telegraph Co.	17,100.00		Do.
American Window Glass Company	2,500.00		Do.
Board of Trade Building Trust of Boston	700.00		Do.
Commonwealth Edison Company	12,400.00		Do.
Elgin National Watch Company	9,375.00		Do.
Mexican Northern Railway Company	800.00		Do.
Public Service Co. of Northern Illinois	5,000.00	6	Preferred stock.
Harry F. Guggenheim donation			
Federal land bank bonds	740.00	4¾	Farm loan bonds.
Harbor Commissioners of Montreal	75,000.00	5	Guaranteed gold bonds.
Archer M. Huntington donation			
Central Pacific Railway Company	105,000.00	4	First and refunding mortgage bonds.
Federal land bank bonds	1,000.00	4¾	Farm loan bonds.
Missouri Pacific Railroad Company	49,500.00	5	First and refunding mortgage bonds.
James B. Wilbur donation			
Canadian National Railways	44,000.00	5	Guaranteed gold bonds.
Federal land bank bonds	16,300.00	4½	Farm loan bonds.
Do.	280.00	4¾	Do.
Public Service Company of Northern Illinois	100,000.00	7	Preferred stock.
United States Government	3,000.00	3⅜	Treasury bonds of 1940-1943.
Total	680,145.00		

[1] No par. [2] Life interest in six-sevenths of income retained under terms of donation.

United States Government life insurance fund.—Under the provisions of section 18 of the act approved December 24, 1919, as amended March 4, 1923, the Secretary of the Treasury is required to invest in interest-bearing obligations of the United States or in bonds of the Federal land banks all moneys received in payment of premiums on converted insurance in excess of authorized payments. The act approved March 3, 1927, as amended by the emergency adjusted compensation act of February 27, 1931, authorized the Administrator of Veterans' Affairs to make loans to veterans upon their adjusted service certificates out of the United States Government life insurance fund. All of the funds available for investment during the fiscal year 1932 were used to make loans to veterans. The Administrator of Veterans' Affairs reported outstanding loans to veterans from this fund, June 30, 1932, on policies and adjusted service certificates, aggregating $456,346,749.03.

Monthly reports are made by the Treasury to the Veterans' Administration of all securities in the fund and the principal cost thereof as the result of investments made by the Secretary of the Treasury, and periodic verifications of the security holdings are made through reports rendered to the administrator by the safekeeping offices.

The investments as of June 30, 1932, were as follows:

Government life insurance fund, June 30, 1932

	Par value	Principal cost
4¼ per cent Treasury bonds of 1947–1952	$28,000,000.00	$28,016,345.21
4¼ per cent Federal farm loan bonds	32,550,000.00	32,477,590.04
4½ per cent Federal farm loan bonds	69,200,000.00	69,742,644.40
Total investments made by the Secretary of the Treasury	129,750,000.00	130,236,579.65
Policy loans	101,514,718.88	101,514,718.88
Adjusted service certificate loans	354,832,030.15	354,832,030.15
Total investments made by Administrator of Veterans' Affairs	456,346,749.03	456,346,749.03
Total investments in the fund	586,096,749.03	586,583,328.68

General railroad contingent fund.—The general railroad contingent fund was created by paragraph 6 of section 15 (a) of the interstate commerce act, approved June 18, 1910, as amended by the act of February 28, 1920 (41 Stat. 489). Under the provisions of this section if any carrier receives for any year a net railway operating income in excess of 6 per cent of the value of the railway's property held for and used by it in the service of transportation, one-half of such excess shall be placed in a reserve fund established and maintained by and for use of the carrier, and the other half shall be paid into the general railroad contingent fund. The fund is administered by the Interstate Commerce Commission.

Pursuant to the act moneys in the fund not required by the commission for expenditures have been invested by the Secretary of the Treasury from time to time in interest-bearing obligations of the United States in accordance with advices received from the Interstate Commerce Commission.

The following statement shows the status of the fund as of June 30, 1932:

General railroad contingent fund, June 30, 1932

Credits:		
Excess earnings deposited in Treasury under section 15 (a) of the interstate commerce act		$10, 723, 279. 57
Interest and profits collected on investments		2, 984, 224. 91
		13, 707, 504. 48
Less refunds to carriers		2, 164. 28
Balance in fund June 30, 1932		13, 705, 340. 20
Assets:		
Face amount	*Principal cost*	
$9, 799, 300 3⅜ per cent Treasury bonds of 1941–1943	$10, 069, 009. 78	
3, 630, 000 4 per cent Treasury bonds of 1944–1954	3, 630, 000. 00	
13, 429, 300		13, 699, 009. 78
Accrued interest paid on investments in fiscal year 1932, repayable in fiscal year 1933		651. 50
Unexpended balance on books of Division of Bookkeeping and Warrants	79, 875. 39	
Less investments made in fiscal year 1932 and paid for in fiscal year of 1933	74, 196. 47	
		5, 678. 92
Total fund assets June 30, 1932		13, 705, 340. 20

National Institute of Health gift fund.—The National Institute of Health was created by the act of May 26, 1930 (46 Stat. 379), for the purpose of creating a system of fellowships in said institute, and to authorize the Government to accept donations for use in ascertaining the cause, prevention, and cure of diseases affecting human beings, and for other purposes.

Under the provisions of section 2 of the act the Secretary of the Treasury is authorized to accept on behalf of the United States, gifts made unconditionally by will or otherwise for study, investigation, and research in the fundamental problems of diseases of man and matters pertaining thereto, and for the acquisition of grounds or for the erection, equipment, and maintenance of buildings and premises.

The Secretary of the Treasury is also authorized to accept conditional gifts if recommended by the Surgeon General of the United States Public Health Service and the National Advisory Health Council. Any such gifts shall be held in trust and shall be invested by the Secretary of the Treasury in securities of the United States, and the principal or income thereof shall be expended by the Surgeon General, with the approval of the Secretary of the Treasury, for the purposes indicated in the act.

The Chemical Foundation (Inc.) made a conditional gift of $100,000, consisting of $45,000 face amount of 3½ per cent Treasury notes, Series A, maturing March 15, 1932, and $55,000 of 3½ per cent Treasury notes, Series B, maturing September 15, 1932. The income from the gift is to be used for one or more fellowships in basic chemical research in matters pertaining to the public health. On June 16, 1931, the board of directors of The Chemical Foundation (Inc.) passed a resolution consenting to the use of part of the principal of the gift in case the income is not sufficient to secure qualified men for the fellowship. The donated securities were called for redemption on March 15, 1931, and the proceeds were reinvested in 4¼ per cent Treasury bonds of 1947–1952.

The following statement shows the status of the fund as of June 30, 1932:

National Institute of Health conditional gift fund, June 30, 1932

Credits:	
Principal proceeds of donated securities	$100,000.00
Interest earned on investments	5,365.63
Total	105,365.63
Less advances to meet expenditures on account of the institute	4,166.60
Balance in fund June 30, 1932	101,199.03
Assets:	
$90,000 face amount 4¼ per cent Treasury bonds of 1947–1952, principal cost	100,410.97
Unexpended balance to credit of the fund on books of Division of Bookkeeping and Warrants	788.06
Total fund assets June 30, 1932	101,199.03

Longshoremen's and harbor workers' compensation fund.—This fund was established under the act of March 4, 1927 (44 Stat. 1444, sec. 44), to provide for the payment of compensation for disability or death resulting from injury to employees in certain maritime employments, and for the maintenance of employees undergoing vocational rehabilitation. Each employer is required to pay into the fund the sum of $1,000 as compensation for the death of an employee of such employer resulting from injury where it is determined that there is no person entitled under the act to receive compensation for such death. Fifty per centum of each such payment shall be available for the payments on account of injury increasing disability and 50 per centum shall be available for the payments on account of maintenance for employees undergoing vocational rehabilitation.

The fund is administered by the United States Employees' Compensation Commission. Moneys not required for immediate disbursement are invested by the Treasurer of the United States.

The following statement shows the status of the fund as of June 30, 1932.

Longshoremen's and harbor workers' compensation fund, June 30, 1932

Credits:	
Assessments	$105,000.00
Interest on investments	5,743.78
	110,743.78
Less disbursements on account of current claims and expenses	7,089.33
Balance in fund June 30, 1932	103,654.45

Face amount	Assets:	Principal cost	
$59,150	4¼ per cent fourth Liberty loan bonds of 1933–1938	$59,584.47	
11,000	4¼ per cent Federal land bank bonds	9,680.48	
11,000	4½ per cent Federal land bank bonds	9,542.97	
10,000	3 per cent Treasury bonds of 1951–1955	9,959.38	
			88,767.30
91,150			
	Accrued interest paid in 1932 (on investment purchases) repayable in 1933		38.50
	Unexpended balances—		
	Treasurer of the United States, disbursing account	2,267.96	
	Division of Bookkeeping and Warrants	12,580.69	
			14,848.65
	Total fund assets June 30, 1932		103,654.45

Alien property trust fund.—Under the act of October 6, 1917, and the settlement of war claims act of 1928, approved March 10, 1928 (44 Stat. 254), the Secretary of the Treasury held on June 30, 1932, securities in the face amount of $32,980,500 for account of the Alien Property Custodian. During the year the following transactions were made in this account:

Securities:	Face amount
Held June 30, 1931	$41,521,700
Purchased and exchanged	11,787,000
	53,308,700
Sold or redeemed	20,328,200
Held June 30, 1932	32,980,500

A statement of the alien property trust fund as of September 15, 1932, follows:

Alien property trust fund as of September 15, 1932

Credits:		
Trusts		$40,492,527.21
Earnings on investments, etc		32,994,151.91
Total		73,486,679.12
Assets:		
Face amount	*Amortized cost*	
$9,800,000 4 per cent Treasury bonds of 1944–1954	$10,533,313.93	
21,700,000 4¼ per cent fourth Liberty loan bonds	21,858,437.56	
350,000 3¼ per cent Treasury notes maturing Aug. 1, 1936	353,828.13	
93,100 2⅛ per cent Treasury notes maturing Aug. 1, 1934	93,361.84	
31,943,100		32,838,941.46
Accrued interest receivable		485,699.14
Participating certificates issued under section 25(e) of the trading with the enemy act—		
Noninterest-bearing	$22,500,000.00	
5 per cent interest-bearing	17,552,096.91	
		40,052,096.91
Cash with Treasurer of the United States		109,941.61
Total fund assets Sept. 15, 1932		73,486,679.12

The total amount paid during the fiscal year 1932 upon authorizations of the Alien Property Custodian and the Attorney General was $13,092,523.71.

Special funds

American National Red Cross building fund.—This fund was created by an act of Congress approved February 7, 1930, authorizing the Director of Public Buildings and Public Parks of the National Capital to supervise the erection of a permanent building for the use of the American National Red Cross. The act authorized an appropriation of $350,000 as part contribution to the erection of the building with a proviso that the appropriation would not be available until a like sum had been provided out of funds of the American National Red Cross. Under a decision of the Comptroller General of the United States the American National Red Cross was authorized to deposit with the Treasury $350,000 face amount of Government obligations, which were to be sold from time to time as funds of the Red Cross were required to match advances made from the appropriation to meet authorized expenditures for construction of the building. The proceeds from the sales of the investments, including earnings thereon, amounted to $361,271.10, which sum, together with the appropriation of $350,000, had been advanced to the Director of Public Buildings and Public Parks of the National Capital for disbursement up to the close of business July 15, 1932.

Colorado River dam fund.—This fund was established under the act of December 21, 1928, to provide for the construction of works commonly referred to as the Boulder Canyon project, or the Hoover Dam. All revenues received in carrying out the provisions of the act are payable into the fund. Expenditures are made out of the fund under the direction of the Secretary of the Interior.

The Secretary of the Treasury is authorized to advance to the fund, from time to time within the appropriations therefor, such amounts as the Secretary of the Interior deems necessary for carrying out the provisions of the act, except that the aggregate amount of such advances shall not exceed the sum of $165,000,000. Of this amount, the sum of $25,000,000 shall be allocated to flood control

and shall be repaid to the United States out of 62½ per cent of revenues, if any, in excess of the amount necessary to meet periodical payments during the period of amortization, as provided in section 4 of the act. If the said sum of $25,000,000 is not repaid in full during the period of amortization, then 62½ per cent of all net revenues shall be applied to payment of the remainder.

The Secretary of the Treasury is required to charge the fund as of June 30 in each year with such amount as may be necessary for the payment of interest at the rate of 4 per cent per annum accrued during the year upon the amounts advanced from the general Treasury and remaining unpaid, except that if the fund is insufficient to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per cent per annum until paid. Under an opinion of the Attorney General of the United States, dated December 26, 1929, funds advanced from the general Treasury to the Colorado River dam fund for construction costs of the All-American canal are not subject to the interest charge. To date, however, no funds have been advanced to the fund on account of the All-American canal project.

Up to June 30, 1932, Congress appropriated the sum of $31,660,000 for the purpose of carrying out the provisions of the act. Up to June 30, 1931, the Secretary advanced from the Treasury to the Colorado River dam fund the sum of $1,745,866.46, a year's interest on which, amounting to $69,834.66, was chargeable to the Colorado River dam fund as of June 30, 1932. Additional advances were made from time to time during the fiscal year 1932 in the sum of $17,018,608.34, the interest on which, amounting to $285,195.26, was also chargeable to the Colorado River dam fund as of June 30, 1932. The total amount of interest chargeable to the Colorado River dam fund as of June 30, 1932, was, therefore, $355,029.92, which was deferred for one year by the Secretary of the Treasury under section 2 (d) of the act of December 21, 1928, upon certification by the Secretary of the Interior that the moneys in the fund were insufficient to pay the interest due on June 30, 1932, and to carry on the work.

The status of the fund as of June 30, 1932, was as follows:

Colorado River dam fund, June 30, 1932

Credits:		
Advances from the General Fund		$18,764,474.80
Receipts		18,868.02
Total credits		18,783,342.82
Charges:		
Advances to disbursing officers	$18,737,935.31	
Less repayments	17,043.39	
		18,720,891.92
Transferred to Department of Commerce for direct expenditure under act of Apr. 18, 1930		25,000.00
Interest due June 30, 1931, and covered into Treasury as miscellaneous receipts[1]		25,631.58
Total charges		18,771,523.50
Balance on books of Division of Bookkeeping and Warrants, June 30, 1932		11,819.32
		18,783,342.82

[1] Interest due June 30, 1932, $355,029.92, deferred for 1 year under section 2 (d) of the act of December 21, 1928.

Advances to reclamation fund.—Under the act of Congress, approved June 17, 1902 (32 Stat. 388), there was established in the Treasury

a special fund known as the reclamation fund, representing receipts from the sale of public lands in certain States and Territories to be used for the construction of irrigation works for the reclamation of arid lands. Pursuant to the act of June 25, 1910 (36 Stat. 835), the Secretary of the Treasury advanced to the reclamation fund from the General Fund of the Treasury $20,000,000. The act of June 12, 1917 (40 Stat. 149), provides for the reimbursement of the money so advanced through the transfer of $1,000,000 annually from the reclamation fund to the General Fund of the Treasury beginning July 1, 1920, and continuing until full reimbursement is made. Beginning with the fiscal year 1921 there has been returned to the General Fund $1,000,000 annually, making a total of $10,000,000 for the 10 years ended with the fiscal year 1930. The deficiency act of February 6, 1931, provided for a suspension for a period of two years of the annual payments required to be made from the reclamation fund to the General Fund of the Treasury and the act of April 1, 1932, provided a further extension of one year.

The deficiency act of March 4, 1931, authorized an additional advance to the reclamation fund from the General Fund of $5,000,000, all of which was advanced between April 28, 1931, and November 30, 1931.

The following statement shows the status of the account as of June 30, 1932.

Charges:	
Advances from the General Fund—	
Under act of June 25, 1910	$20,000,000
Under act of Mar. 4, 1931	5,000,000
	25,000,000
Credits:	
Repayment of advances to June 30, 1930 [1]	10,000,000
Unreimbursed balance	15,000,000
	25,000,000

[1] Installments for 1931 and 1932 suspended under act of Feb. 6, 1931, as amended by the act of Apr. 1, 1932.

Division of Bookkeeping and Warrants

Duties.—The Division of Bookkeeping and Warrants, in the name of the Secretary of the Treasury, issues all warrants on the Treasurer of the United States, and under section 10 of the act of July 31, 1894 (U. S. Code, title 5, sec. 255), keeps the official accounts relating to the receipt, appropriation, and expenditure of the public money, covering all departments and establishments of the Government. Other duties of the division include the preparation of the annual digest of appropriations and the combined statement of receipts and expenditures, and the handling of duplicate checks, outstanding liability claims, budget matters, special deposit accounts, etc. A detailed description of these duties is shown on pages 121–127 of the Annual Report of the Secretary of the Treasury for the fiscal year 1930.

A statement of the receipts and expenditures of the Government for the fiscal year 1932, compiled by this division, is shown as Table 1, page 341 of this report.

District of Columbia account.—Under the act of June 29, 1922 (42 Stat. 669), the Treasury is required to keep a special account of

receipts and expenditures of the District of Columbia. The transactions in this account since June 30, 1924, on the basis of warrants issued, were as follows:

Receipts and expenditures of the District of Columbia account for the fiscal years 1925 to 1932

Fiscal year	Revenues	Contribution of United States	Expenditures	Balance to credit of District of Columbia account
1925	$22,317,529.59	$9,000,000.00	$32,674,993.85	[1] $9,402,535.84
1926	26,847,837.91	9,000,000.00	31,372,169.10	10,878,204.65
1927	30,511,554.74	9,000,000.00	37,766,415.31	12,623,344.08
1928	32,777,616.00	9,000,000.00	40,176,205.11	14,224,754.94
1929	33,530,263.17	9,000,000.00	40,906,206.43	15,848,811.68
1930	35,194,596.45	9,000,000.00	44,347,809.22	15,695,598.91
1931	36,456,525.45	9,500,000.00	49,520,101.81	12,132,022.55
1932	35,843,078.09	9,500,000.00	48,183,608.92	9,291,491.72

[1] The balance at close of preceding fiscal year was $10,760,000.10.

Division of Deposits

The Division of Deposits is charged with the administration of matters pertaining to the designation and supervision of Government depositaries and the deposit of Government funds in such depositaries.

The Treasury's established policy of maintaining balances with depositaries in proportion to the Government's requirements was continued during the year, and balances with Federal reserve banks and general depositaries averaged approximately the same as during the preceding year. The demand deposits with special depositaries, representing proceeds from the sale of public debt obligations, increased considerably, due to the larger financing operations required.

Approximately 3,000 changes and adjustments were made within the depositary system during the year. A total of 192 depositaries, carrying aggregate Government balances of $26,721,529.56, closed. Government deposits are secured by collateral, but owing to the depressed market for bonds and securities the Treasury has not, in so far as consistent with the protection of its interests, pressed the sale of securities held as collateral in cases where the immediate sale would cause a loss to the trust. Notwithstanding this liberal policy, the accounts of 170 closed depositaries, with Government deposits amounting to $25,336,617.52, have been liquidated in full. The remaining 22 cases, involving deposits totaling $1,384,912.04, are in process of settlement. To date the United States has not sustained any losses through the failure of depositary banks.

All Government depositaries, with the exception of Federal reserve banks, are required to pay interest on daily balances at the rate of one-half of 1 per cent per annum. The interest received upon deposits with special depositaries during the fiscal year 1932 was $1,662,082.78 and the total received from this source from April 24, 1917, to June 30, 1932, was $88,786,526.69. Interest received from other depositaries during the year was $137,405.24. The total interest received from this latter source since June 1, 1913, was $20,973,850.30.

The following statement shows the number and classes of depositaries maintained by the Treasury and the Government deposits held by such depositaries on June 30, 1932.

Number of depositaries and amount of Government deposits held on June 30, 1932, by class of depositaries

Depositaries	Number	Amount
Federal reserve banks (including branches)	12	$3,758,367.94
Member bank depositaries:		
To credit of Treasurer of the United States	[1] 1,295	6,852,874.12
To credit of other Government officers		17,612,875.46
Insular depositaries (including Philippine treasury):		
To credit of Treasurer of the United States	3	1,112,943.42
To credit of other Government officers		802,285.51
Foreign depositaries:		
To credit of Treasurer of the United States	11	61,646.25
To credit of other Government officers		723,377.41
Special depositaries	[2] 3,208	405,648,239.95
Total	4,529	436,572,610.06

[1] In addition 100 branch banks are carried on the depositary list of the Treasury under the designation of the parent banks.

[2] Includes 1,918 national banks and 1,290 State banks and trust companies, 1,397 of which held deposits on June 30, 1932.

The regulations of the Treasury governing special deposits of public moneys under the act of Congress approved September 24, 1917, as amended, issued as Department Circular No. 92, were revised on December 4, 1931, and January 19, 1932, so as to bring certain of the collateral security provisions in line with current market values. The circular was revised and reprinted under date of February 23, 1932, and appears as Exhibit 60, page 319.

Section of Surety Bonds

On June 30, 1932, there were 73 domestic companies holding certificates of authority from the Secretary of the Treasury under the act of Congress approved August 13, 1894, as amended by the act of Congress approved March 23, 1910, qualifying them as sole sureties on recognizances, stipulations, bonds, and undertakings permitted or required by the laws of the United States, to be given with one or more sureties. There were also four domestic companies and six branches of foreign companies holding certificates of authority authorizing them to act only as reinsurers on bonds in favor of the United States. Changes in the outstanding certificates of authority during the period ended August 31, 1932, are indicated in the following table:

Companies authorized as of June 30, 1931			89
Changes during the year ended June 30, 1932:			
Certificates terminated—			
Companies ceasing business	5		
Companies voluntarily ceasing business with the United States	2		
Company in process of liquidation	1		
Company's authority revoked (subsequently in liquidation)	1		
		9	
Certificates issued		3	
Net reduction in number			6
Companies authorized as of June 30, 1932			83
Further changes to Aug. 31, 1932: Certificates terminated, companies ceasing business			2
Companies authorized as of Aug. 31, 1932			[1] 81

[1] On Aug. 31, 1932, 3 companies were in process of merging into a new organization, and another company was in the process of voluntarily retiring from transacting any further business in favor of the United States.

In accordance with the practice of the Treasury, a number of departmental circulars to the heads of departments and independent establishments of the Government, bond-approving officers, and others

concerned, have been issued during the past year to advise such officials of the status of the bonds in favor of the United States executed by the companies whose certificates of authority were terminated. These circulars (Nos. 450, 453, 455, 459, 464, 466, and 467) refer respectively to the Federal Surety Co. of Davenport, Iowa; New York Indemnity Co. of New Orleans, La., and Northwestern Casualty and Surety Co. of Milwaukee, Wis.; Franklin Surety Co. of New York, N. Y.; Southern Surety Co. of New York, New York City; New Jersey Fidelity and Plate Glass Insurance Co. of Newark, N. J.; Commonwealth Casualty Co. and the "old" Independence Indemnity Co. of Philadelphia, Pa.; and Central West Casualty Co. of Detroit, Mich.

DIVISION OF APPOINTMENTS

Number of employees

The total number of employees in the Treasury Department in Washington on June 30, 1932, was 130 more than on June 30, 1931. The principal increase in the regular force occurred in the Office of the Supervising Architect, due to the enlarged building program authorized by Congress. Moreover, employees of the Insolvent National Bank Division, whose salaries are paid by the banks, were this year included in the personnel reported for the Office of the Comptroller of the Currency. The principal decreases in the departmental service were in the Bureau of Internal Revenue and the Bureau of Engraving and Printing.

The total number of employees in the Treasury Department outside of Washington on June 30, 1932, was 897 more than on June 30, 1931. The principal increases in the regular field force were in the custodian service and the engineering force of the Office of the Supervising Architect, made necessary by the increase in the number of public buildings; in the Public Health field service, due to the drought sanitation activities in certain parts of the country; and in the Coast Guard field service. The principal decreases in the field services were in the Customs and Internal Revenue services.

The number of employees in the departmental service of the Treasury, classified according to bureaus and offices at the end of each month from June 30, 1931, to June 30, 1932, is shown in Table 52, page 447 of this report. A comparison of the number of employees in the departmental and field services of the Treasury on June 30, 1931, and June 30, 1932, is contained in Table 53, page 448.

Retirement of employees

From September 1, 1931, to August 31, 1932, 259 persons were retired from the departmental service of the Treasury Department, 19 of whom were retired by their own option. During the same period 608 persons were retired from the field services, 14 of whom were retired by their own option. Of the total number retired during this period, 82 employees in the Treasury in Washington and 352 in its field service were retired on June 30, 1932, in accordance with the provisions of section 204 of the economy act of June 30, 1932. At the present time seven persons above the retirement age are retained in the departmental service of the Treasury and four in the field service.

under authority of the President in accordance with the provisions of section 204 of the economy act.

Table 54, page 448, shows the number of persons retired and the number retained in the departmental and field services of the Treasury under the provisions of the retirement act, and under section 204 of the economy act of June 30, 1932.

BUDGET AND IMPROVEMENT COMMITTEE

The Budget and Improvement Committee is responsible, under the direction of the Under Secretary and budget officer, for the preparation and examination of Treasury estimates of appropriations and for the improvement of administrative methods and procedure within the Treasury Department. In addition to examining all estimates, the committee makes inquiries as to the reserves which may be set up under the various appropriations and considers other matters affecting expenditures of the department. It makes inquiries along various lines with the purpose of improving methods and procedure, and from time to time, under special instructions, makes a detailed examination of some particular office or service of the department. Its reports and recommendations thereon are submitted to the Secretary of the Treasury, through the budget officer of the department.

Estimates submitted by heads of bureaus and offices for the fiscal year 1934 (exclusive of interest on and retirements of the public debt payable from ordinary receipts and the amounts for the support of the Bureau of the Budget) were given an exhaustive examination by the budget officer, with the assistance of the committee. On the basis of his recommendations the Secretary of the Treasury approved deductions aggregating $28,216,451, and submitted, with his approval, the balance of the estimates to the director of the Bureau of the Budget. The following statement shows the amounts appropriated or estimated for expenditure from permanent and indefinite appropriations and special funds for the fiscal year 1933; the amounts of the estimates for 1934 submitted by heads of bureaus and offices, disapproved by the Secretary, and approved by the Secretary; and the increase or decrease as compared with the appropriations or estimated expenditures for 1933:

Appropriations for 1933 and estimates for 1934

	Appropriations or estimated expenditures from permanent and indefinite appropriations and special funds, 1933	Estimates for 1934			Increase or decrease in approved estimates for 1934 as compared with appropriations and estimates for 1933
		Submitted by bureaus and offices	Disapproved by Secretary	Approved by Secretary	
Ordinary annual appropriations	$142,118,158	$158,223,606	$7,616,451	$150,607,155	+$8,488,997
Permanent and indefinite appropriations and special funds	24,719,439	20,272,367	600,000	19,672,367	−5,047,072
Refunding taxes illegally collected		78,000,000	10,000,000	68,000,000	+68,000,000
Public buildings construction, act May 25, 1926, as amended	108,000,000	75,000,000	10,000,000	65,000,000	−43,000,000
Total	274,837,597	331,495,973	28,216,451	303,279,522	+28,441,925

During the year supplemental and deficiency estimates were submitted aggregating $94,138,335.84. After examination by the budget officer, with the assistance of the committee, these estimates were reduced to $42,643,333.25.

General reserves amounting to $1,803,747 were set aside from ordinary annual appropriations for the fiscal year 1932 to meet extraordinary or emergency demands that might arise. Reserves amounting to $138,740 were released, leaving $1,665,007 in reserve at the end of the year, which represents a part of the savings from annual appropriations.

For the fiscal year 1933, heads of bureaus and offices recommended reserves amounting to $788,770. After examination by the committee $155,200 was added, making a total for the year of $943,970.

The Budget and Improvement Committee was appointed July 8, 1922. It has examined estimates for the budgets of 1924 to 1934, inclusive, as well as supplemental and deficiency estimates. As a result of its examinations and on its recommendations items aggregating $193,078,589 have been disapproved and deducted from said estimates before they were transmitted to the Bureau of the Budget.

OFFICE OF CHIEF CLERK AND SUPERINTENDENT

Public buildings

The Chief Clerk has custody of sites for proposed public buildings in Washington, D. C., and is superintendent of all Treasury buildings in the District of Columbia, except the Bureau of Engraving and Printing. Under his direction the razing of structures necessary to continue the public building program in the so-called triangle was completed; and in the area between Tenth and Third Streets on Pennsylvania Avenue, the only structures left standing were two buildings on the south side of the Avenue, which are still occupied, and an old warehouse on the east side of Four and one-half Street. Satisfactory progress has been made in clearing properties in southwest Washington for Department of Agriculture buildings and the central heating plant.

Work on the proposed plaza bounded by Thirteenth and Fourteenth Streets and C and D Streets, having been held up temporarily, about three-fourths of the area was rented for $1,310 per month for automobile parking.

During the year the office handled 215 agreements or contracts for rental of properties controlled by the Treasury with total receipts aggregating $103,259.22.

Housing of Treasury activities

The work in the Office of the Supervising Architect and in the Insolvent National Bank Division, Office of the Comptroller of the Currency, having materially increased, it was necessary to place additional employees in rented space in the Washington Building.

In preparation for the construction of a vault in the north court of the Treasury Building the section of the Supervising Architect's Office occupying this space was moved into quarters previously occupied by a section of the Division of Loans and Currency, the latter having been moved to the Liberty Loan Building.

Miscellaneous

In addition to work generally performed by the forces responsible for the maintenance and operation of the Treasury Building and its several annexes, several awards were made during the past year for performing miscellaneous work of a major character.

COAST GUARD

The following is a summary of the principal operations of the Coast Guard for the fiscal year 1932, in which comparisons with the preceding year 1931 are indicated:

	1931	1932	Increase (+) or decrease (−)
Lives saved or persons rescued from peril	5,627	5,214	−413
Persons on board vessels assisted	25,898	30,847	+4,949
Persons in distress cared for	561	659	+98
Vessels boarded and papers examined	88,357	102,268	+13,911
Vessels seized or reported for violations of law	2,929	2,358	−571
Fines and penalties incurred by vessels reported	$369,341	$300,756	−$68,585
Regattas and marine parades patrolled	114	123	+9
Instances of lives saved and vessels assisted	5,536	6,393	+857
Instances of miscellaneous assistance	6,561	7,346	+785
Derelicts and other obstructions to navigation removed or destroyed	370	371	+1
Value of derelicts recovered	$8,020	$45,780	+$37,760
Value of vessels assisted (including cargoes)	$47,959,465	$39,177,247	−$8,782,218
Persons examined for certificates as lifeboat men	5,595	6,120	+525

The foregoing statement is indicative of the continued efficiency and effectiveness of operations in the various duties and responsibilities with which the service is charged. The majority of the items enumerated, it will be noted, represent increases over the preceding fiscal year.

Service discipline continued to be satisfactory, and there was gratifying evidence that a high standard of morale prevailed among the forces. The percentage of reenlistments during the year was 97.7. Average monthly losses, other than by expiration of enlistment, decreased from 378 in 1926 to 73 in 1932. There was also a very material reduction in the number of desertions.

The law enforcement activities having to do with the prevention of smuggling of liquor into the United States from the sea were continued along with the other duties of the service, including the saving of life and property.

Protection to navigation

International ice observation and ice patrol.—In March, 1932, three observation cruises were made in the ice regions near the Grand Banks to ascertain the ice conditions. The patrol boat engaged in these cruises was greatly hindered in the work by severe and stormy weather. On March 28, 25 bergs were reported just east of the Grand Banks, and it was deemed advisable to begin the regular annual patrol.

It was estimated that 528 bergs drifted south of Newfoundland from January 1 to July 2, 1932. In April, the ice conditions were by far heavier than at any other time during the season. Approximately 321 bergs were south of latitude 48° N. during the month.

However, the Labrador current was particularly weak south of latitude 45° at this time and the United States-European lanes were not menaced by ice. After June 7, no bergs were sighted or reported south of latitude 47° N.

During the season three oceanographic cruises were made, and from the data collected three current charts were drawn of the ice regions. These charts were turned over to the patrol cutters for use in determining the probable set and drift of bergs. The actual observed drift followed closely the computed currents.

As in former years the surface-water temperature reports were collected from all vessels in crossing near the ice regions. These temperatures were used in constructing isotherm charts.

No disasters due to collision of ships with ice occurred. The patrol was discontinued on July 2, 1932.

Winter patrol.—On November 18, 1931, the President, on the recommendation of the Secretary of the Treasury, designated 12 cutters to undertake special cruising duty along the coast for the winter season of severe weather. An additional cutter served as reserve. In the prosecution of their duties these cutters cruised 80,000 miles, and afforded assistance to 29 vessels, whose values, including their cargoes, amounted to nearly $2,500,000. There were 374 persons on board the vessels assisted. The vessels boarded in the interests of the enforcement of United States laws numbered 438.

Removal of derelicts.—During the year units of the service removed 371 derelicts and other floating dangers and obstructions to navigation.

Anchorage and movements of vessels.—The enforcement of the rules and regulations governing the anchorage and movements of vessels at ports and other places where Federal regulations are in effect was continued during the year by utilizing, as formerly, Coast Guard personnel and equipment. The general plan and arrangement of this activity remained substantially unchanged. Coast Guard officers continued to serve as captains of the port to enforce the regulations at a number of places throughout the country.

Regattas.—In the course of the year the service units patrolled and supervised 123 regattas, marine parades, and boat races, and, informally, a number of other like events of local interest.

Flood relief service

In January, 1932, the Coast Guard gave assistance in the relief of flood conditions which seriously menaced the public welfare. On this occasion Greenwood, Miss., and other points on tributaries of the Mississippi River were in the hold of a devastating flood. Cooperating with the Red Cross, Federal and State engineer officers, and citizens, it took up its task of transporting refugees to safety, delivering provisions for the Red Cross, carrying the sick from imperiled homes, taking livestock to the highlands, transporting Red Cross officials and Federal and State engineer officers, and convicts (more than a thousand in number), and distributing tons of sacks along the river.

The service boats cruised approximately 4,200 miles, and were under way 586 hours, in the performance of the work. Radio communication was established by service forces between operating units, and this important agency proved to be of great value. The duration of service activities in connection with this work was from January 18 to February 13, 1932.

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Enforcement of customs and other laws

The enforcement by the Coast Guard of the customs laws of the United States and the laws relating to navigation and motor boats was attended during the year with satisfactory results. As is customary, harbor cutters, or launches, were stationed at the principal ports to assist the customs authorities in boarding incoming vessels and in the conduct of other customs duties. Assistance was also rendered to other branches of the public service in the enforcement of the Federal laws.

Liquor smuggling.—The operations of the service in its law enforcement work for the prevention of smuggling of liquor into the United States from the sea proceeded satisfactorily throughout the year.

There was, undoubtedly, some falling off in the volume of liquor brought to the United States coasts for attempted smuggling, but this reduction in volume was comparatively slight. The matter continued to be one demanding the utmost vigilance on the part of the personnel in practically every quarter of the service. The Coast Guard worked to the extent of its resources to combat this illegal activity.

Patrol in northern waters.—The patrol of the waters of the North Pacific Ocean, Bering Sea, and southeastern Alaska was conducted during the season of 1931 by six Coast Guard cutters and one patrol boat. The patrol was in progress at the close of the fiscal year 1931. This patrol, which is carried on annually by the Coast Guard, has for its primary purpose the enforcement of the convention of July 7, 1911, between the United States, Great Britain, Russia, and Japan, and the laws and regulations for the protection of the fur seal and sea otter and of the game, the fisheries, and fur-bearing animals of Alaska. In the prosecution of their work, the vessels cruised more than 70,000 miles, assisted 6 vessels in distress, boarded 46 vessels, afforded medical and dental aid to 565 persons, and transported 712 persons.

The patrol for the season of 1932, in progress at the close of the fiscal year 1932, is being carried on by six cutters and a patrol boat.

Northern Pacific halibut fishery.—The duties of the Coast Guard in connection with the Northern Pacific halibut fishery were performed during the year by a single cutter, which made two cruises, one covering the period October 17 to November 7, 1931, and one the period March 1 to 24, 1932. This annual activity is conducted for the Bureau of Fisheries, Department of Commerce.

Communications

The communication service is concerned with the provision, construction, operation, and maintenance of all communication facilities of the Coast Guard, the design and development of materials, the handling of secret and confidential publications, and the preparation of codes and ciphers. The methods of communication employed in the Coast Guard are the telegraph, telephone, radio in various applications, and visual signals.

Telephone and telegraph lines and cables.—The Coast Guard owns and operates a coastal communication system consisting of a telephone and telegraph line system of approximately 1,447 miles of pole line, 2,534 miles of open wire aerial circuits, 35 miles of aerial and underground cables, and 573 miles of submarine cable, all divided into 188

separate and distinct telephone and telegraph lines. Through these facilities telephone and telegraph service is furnished the Coast Guard (life-saving) stations and other service units, and a large number of lighthouses and other Government stations. The greater part of these lines is connected with the central offices of commercial telephone systems, thus affording local and long distance telephone and telegraph service for all units connected.

Routine overhauling and repairing of lines, and certain major projects involving the replacement of submarine cable at various localities, and rebuilding, were undertaken during the year. The scientific study and investigation of telephone transmission problems were continued with considerable progress.

Radio.—It is necessary that the Coast Guard keep abreast of the continued change and advancement in the field of radio in order to avoid interfering or becoming involved in interference with commercial stations or other Government radio stations, all of which are keeping abreast of radio developments.

In the course of the year improvements were made on board ships and at shore stations in order to bring about a higher state of efficiency in handling communications by radio. The completion of main traffic stations at Grays Harbor, Wash., and Winthrop, Mass., greatly increased the efficiency of communications in the divisions with which they are connected. Gasoline engine-driven generator sets as auxiliary and emergent sources of power were installed on all ships and stations, as it was found to be expedient to so replace storage batteries previously used.

Radio equipment is being developed to meet the special needs of aircraft operation. Considerable progress was made in the matter of the elimination of electrical induction interference to radio reception on the planes, and in the development of radio direction finders.

An officer of the Coast Guard continued to represent the Treasury Department on the Interdepartmental Radio Advisory Committee. This officer also represented the Treasury Department on the Interdepartmental Committee in preparation for the International Radio Conference in Madrid in 1932.

Equipment

Floating equipment.—On June 30, 1932, there were in the Coast Guard in commission 36 cruising cutters, 15 Coast Guard destroyers, 34 harbor craft, 5 special craft, seven 165-foot patrol boats, thirty-three 125-foot patrol boats, thirteen 100-foot patrol boats, six 78-foot patrol boats, one hundred eighty-one 75-foot patrol boats, 34 miscellaneous patrol boats, 88 cabin picket boats, 61 open picket boats, and 17 other (Class A) picket boats. This floating equipment does not include the primarily life-saving boat equipment attached to Coast Guard vessels and stations.

The last cutter of the 10 authorized by the act of June 10, 1926, was completed and delivered to the Government on March 9, 1932.

The design plans and specifications for the cutter, authorized by the act of April 18, 1930, for service on Lake Michigan, were completed, and bids for the construction work were opened October 30, 1931, and contract was awarded. Construction progress at the close of the fiscal year was about 81 per cent of completion.

Seven 165-foot patrol boats in a construction program authorized by the act of May 15, 1930, have been completed and placed in commission.

On March 15, 1932, contract was entered into for the construction of two additional 165-foot patrol boats in a construction program authorized by the act of February 23, 1931. These boats are to be similar to the seven boats mentioned above. Construction progress at the end of the year indicated 12 per cent of completion.

During the year two destroyers, formerly obtained from the Navy, were decommissioned and returned to the custody of the Navy, and another Navy destroyer was transferred to the Coast Guard, in pursuance of the act of May 15, 1930.

One cutter which had been placed out of commission in December, 1930, was sold, and two patrol boats were disposed of. Eight patrol boats and two harbor tugs were added to the fleet of Coast Guard vessels.

In addition to overhauling, reconditioning, and repairing certain vessels at the Coast Guard depot, routine repairs to vessels of the service were made during the year under contract with private concerns and at various navy yards.

A program for building six 78-foot special inshore patrol boats which was started last year was completed, and the boats are in service. Twenty-one 38-foot cabin picket boats were also completed and placed in service.

Aviation.— During the year, Coast Guard airplanes cruised 93,750 miles and searched over an area of 2,344,250 square miles. They were in the air 1,250 hours and more than 2,397 vessels were identified. Coast Guard seaplanes were called into use to locate missing or disabled boats and derelicts and other obstructions to navigation, to convey medical assistance to vessels offshore, and to remove from vessels to the shore sick and injured persons.

The aircraft reporting system established by the Coast Guard along the Atlantic seaboard is proving to be of inestimable value. No plane using the system was lost during the year. More than 14,000 reports of passing planes were made.

The construction of five new flying-boat seaplanes, mentioned in last year's report, is about 80 per cent completed. They are of all metal construction, powered with two 450-horsepower engines. It is expected that the first of these planes will be in commission shortly after the beginning of the ensuing fiscal year, and that the others will follow, one every 30 days.

Three amphibian planes, all metal construction and with wooden wings, were purchased. They are each powered with two 300-horsepower engines.

All Coast Guard aircraft are equipped with radio transmitting and receiving sets, radio direction finders and the most modern instruments for navigation and flying under adverse weather conditions.

The Coast Guard has in commission an air station at Gloucester, Mass., and one at Cape May, N. J. During the year the service leased a site at Dinner Key, Fla., for the establishment of another air station. Contract was entered into for the building of an airplane hangar. It is expected that this station will be in commission early in the coming fiscal year.

Ordnance.—All except two destroyers held short-range, day-spotting and long-range battle practice in southern waters, and the personnel of 13 of these vessels fired small-arms target practice on the Egmont Key, Fla., rifle range. Seven cruising cutters have already fired short-range battle practice and an extension of time has been granted 17 more, so that by September 30 nearly all cutters for which this training is prescribed will have completed it. By that time all section bases and many of the smaller cutters will have completed target practice instruction. A considerable number of cutters, bases, and small boats have held small-arms target practice and it is expected that many more units will have completed this training by the end of September. Four districts have already held small-arms target practice and two more have submitted plans. That small-arms efficiency has increased is evidenced by the fact that the Coast Guard stood second in the National Match and won the Scott and DuPont trophies.

New target ranges were constructed at Base 15, Biloxi, Miss., and at Base 18, Woods Hole, Mass. In addition to the establishment of these new ranges, the firing lines of the Cape May and Egmont Key ranges were improved, new target carriers provided at Cape May, N. J., and improvements made in the butts at Egmont Key.

A man from each station in the second district was given special instruction in the upkeep and methods of firing small arms, so that he might act as coach and instructor at his station.

Several hundred rifles, surveyed as of no value, were completely overhauled and rebarrelled at the Springfield Armory, making them equivalent to new rifles and effecting a considerable saving. Orders were placed for new remodeled gallery rifles, 1922, M–2, which will bring equipment of this kind up to date.

A continuing program of magazine overhaul and reconstruction was initiated, to be carried out during the regular overhaul periods until the ammunition stowage on all vessels conforms to standard.

Flare-signal equipment was purchased for all floating units not previously so equipped. This equipment is proving of much value.

Efforts were made to improve line-throwing equipment. Experiments were conducted with the 6-pounder line-throwing gun and with the shoulder line-throwing gun, to increase the range.

Demolition blocks were issued for test to determine the advisability of using the half-pound, compressed TNT blocks in wrecking operations instead of the regular Navy wrecking mines. Very favorable reports are being received. Indications are that the use of the demolition blocks will greatly facilitate wrecking operations and make the work much more effective, at a reduced cost.

The continued courtesy and cooperation of the Army, Navy, and Marine Corps are gratefully acknowledged. Without the generous assistance received from these services, the accomplishments of the year would not have been possible.

The Academy, stations, bases, repair depot, etc.

Coast Guard Academy.—The course of instruction at the Coast Guard Academy at New London, Conn., was lengthened to four years. During the fiscal year, 66 cadets were appointed to the

academy, 40 cadets resigned, and 28 cadets completed the course of instruction and were graduated from the academy and commissioned as ensigns on May 16, 1932. There were 84 cadets under instruction at the end of the fiscal year.

Entrance examinations of candidates for cadets were held beginning June 15, 1932.

The practice cruise for cadets in 1931 was carried on by two Coast Guard cutters, which constituted the practice squadron. The cruise began on June 18, 1931, and included calls at a number of foreign ports. The cruise was concluded on August 28, 1931.

Two cutters composed a special practice squadron for the 1932 cruise, and left New London, Conn., on May 25, 1932. The itinerary includes calls at a number of ports. The cruise was in progress at the close of the fiscal year, and it is expected it will terminate at New London, Conn., near the end of August. The practice cutters stopped at Quantico, Va., from May 27 to June 10, where the cadets and ships' complements engaged in small-arms target practice at the Marine Corps rifle range.

Construction work progressed satisfactorily on the buildings for the new Coast Guard Academy now being erected at New London, Conn., under the direction of the Office of the Supervising Architect, Treasury Department. It is expected that the buildings will be ready for occupancy when classes start in the fall of 1932.

Stations and bases.—On June 30, 1932, there were 254 Coast Guard (life-saving) stations in an active status. There were 1 floating section base, 18 shore section bases, and 1 subbase, established for law-enforcement purposes. These include the shore section base established at Galveston, Tex. The service craft attached to these bases operate primarily against smuggling activities.

Rebuilding, repairs, alterations, additions, and improvements were accomplished during the year at many Coast Guard (life-saving) stations and other units. Contracts were awarded, or work was begun, during the year for major work of rebuilding, alterations, and improvements at 15 Coast Guard (life-saving) stations, the depot, academy, 3 section bases, 1 radio station, and in 1 Coast Guard division.

The Coast Guard (life-saving) station authorized by the act of February 8, 1929, to be established at or in the vicinity of the Quillayute River, Wash., and contract for the construction of which was awarded on April 6, 1931, was completed during the year, and placed in commission March 11, 1932. It was named Quillayute River Station.

The appropriation made available by act of February 23, 1931, for constructing and equipping the Coast Guard (life-saving) station authorized by act of March 3, 1891, to be established at or near Port Orford, Oreg., expired before the service was able to complete negotiations for the site and enter into contract for the construction of this station. The second deficiency act, fiscal year 1932, approved July 1, 1932, made the appropriation available for 1933.

Contract was awarded during the year for the construction of the Coast Guard (life-saving) station authorized by act of February 26, 1930, to be established at or in the vicinity of Grand Island, Mich.

Repair depot.—A number of Coast Guard vessels were overhauled at the Coast Guard repair depot, Curtis Bay, Md., during the year, and several patrol boats were overhauled and reconditioned. The boat-building shop at the depot constructed 87 standard boats for assignment to various units of the service as needed.

Personnel

On June 30, 1932, there were on the active list of the Coast Guard 433 regular commissioned officers, 10 temporary commissioned officers, 84 cadets, 85 chief warrant officers, 507 regular warrant officers, 265 temporary warrant officers, and 11,034 enlisted men, and 421 civilian employees in the field, of whom 375 were per diem civilian employees at the Coast Guard depot, Curtis Bay, Md.

Recruiting.—On July 1, 1931, the beginning of the fiscal year, the recruiting service of the Coast Guard comprised 10 main stations and 18 substations located at various places in the country. There were no changes in the stations during the year.

In the course of the year there were 18,289 applicants for enlistment, of which number 1,615 were enlisted, 1,157 rejected for physical disability, and 15,517 rejected for other disabling causes.

Training.—All training of enlisted personnel was coordinated and greatly extended during the year. The school for radiomen at New London, Conn., and the gas-engine school at Norfolk, Va., were continued, the course of instruction at the latter place being extended to include Diesel engines. A gas-engine school also was established at Buffalo, N. Y. The Navy cooperated in the training of personnel and many Coast Guard men attended Navy schools during the year. This assistance on the part of the Navy is gratefully acknowledged. During the year, 198 men were graduated from the various schools and 53 were in attendance at the end of the year.

The work of the Coast Guard Institute at New London, Conn., was greatly increased by reason of a change in the regulations which made necessary the completion of certain rating courses before promotion. For this reason many men made application for courses which would fit them for advancement in rating. In the month of June, 222 students were enrolled and 3,347 lesson papers were received for correction. During the fiscal year 168 International Correspondence School diplomas and 477 Institute Educational certificates were awarded, indicating that a lively interest in educational work is being taken by service personnel. This is especially emphasized by the fact that at the close of the year there was an enrollment of 2,978 men, an increase of 1,545 over last year's enrollment.

A receiving unit was maintained at New London, Conn., to which were sent all newly enlisted men. Here they received training for approximately three months before being sent to duty at various units.

Welfare.—Fully appreciating in what a great measure the efficiency of the service depends upon the morale of its personnel, the Coast Guard uses its best endeavor to so expend the recreation and welfare funds as to bring to the enlisted men every proper available means to insure their comfort, contentment, and health, and to provide for

them wholesome recreation and entertainment. Recreational material such as sporting equipment, reading matter, radio receiving sets, and other equipment, have been furnished during the year. Lesson study pamphlets, technical books, and other educational materials also were provided, distribution being made through the Coast Guard Institute at New London, Conn.

Sound-motion-picture equipment has been furnished and put into use, so that now certain Coast Guard units are taking advantage of the opportunity to use motion-picture exchange service maintained by the Navy Department. The assistance of the Bureau of Navigation in this and other matters is greatly appreciated.

Awards of life-saving medals

The Secretary of the Treasury, under the provisions of law, awarded during the year 5 gold and 35 silver life-saving medals of honor, and 1 silver second service bar, in recognition of bravery exhibited in the rescue or attempted rescue of persons upon an American vessel or from drowning in waters over which the United States has jurisdiction.

COMPTROLLER OF THE CURRENCY

Changes in the condition of national banks

Continued contraction in the volume of general business activity during the third year of the depression was reflected in marked liquidation of bank credit. Total loans and investments of national banks, which aggregated about $20,860,000,000 on June 30, 1931, declined to less than $17,500,000,000 at the end of the fiscal year 1932, a reduction of nearly $3,400,000,000. The decline was particularly rapid following the period of critical monetary and financial disturbance abroad during the summer and autumn of 1931. Whereas national bank loans and investments showed a decline of about $700,000,000 between the end of June and the end of September, 1931, there was a further decline of nearly $2,700,000,000 during the subsequent nine months. Decline in loans and investments was accompanied by a corresponding reduction in the volume of deposits, aggregate demand and time deposits of national banks declining from $18,685,000,000 on June 30, 1931, to about $15,200,000,000 at the end of the fiscal year 1932, a reduction of nearly $3,500,000,000.

The resources and liabilities of national banks on the date of each report from June 30, 1931, to June 30, 1932, are shown in the following table:

Abstract of reports of condition of national banks at the date of each report from June 30, 1931, to June 30, 1932

[In thousands of dollars]

	June 30, 1931	Sept. 29, 1931	Dec. 31, 1931	June 30, 1932
Number of banks	6,805	6,658	6,373	6,150
RESOURCES				
Loans and discounts (including rediscounts)[1]	13,177,485	12,479,935	11,921,389	10,281,676
Overdrafts	7,790	7,596	5,439	4,701
United States Government securities owned	3,256,268	3,289,267	3,176,475	3,352,666
Other bonds, stocks, securities, etc., owned	4,418,569	4,380,016	4,024,950	3,843,986
Customers' liability account of acceptances	434,717	344,459	389,399	262,943
Banking house, furniture and fixtures	795,866	790,324	770,454	760,057
Other real estate owned	125,681	124,692	132,415	143,585
Reserve with Federal reserve banks	1,418,096	1,365,334	1,137,747	1,150,575
Cash in vault	368,589	389,741	379,900	338,404
Due from banks	3,146,951	2,207,530	2,293,328	1,956,154
Outside checks and other cash items	61,559	33,341	88,127	40,728
Redemption fund and due from United States Treasurer	32,165	31,688	31,536	32,711
Acceptances of other banks and bills of exchange or drafts sold with indorsement	168,137	98,601	106,263	7,182
Securities borrowed	11,986	9,534	9,003	7,951
Other resources	218,839	194,603	195,861	184,392
Total	27,642,698	25,746,064	24,662,286	22,367,711
LIABILITIES				
Capital stock paid in	1,687,663	1,656,374	1,621,449	1,568,983
Surplus	1,493,876	1,470,291	1,381,612	1,259,425
Undivided profits, net	443,592	455,474	351,597	392,521
Reserves for dividends, contingencies, etc.	130,599	115,942	171,109	148,919
Reserves for interest, taxes, and other expenses accrued and unpaid	62,881	82,976	52,604	49,439
National-bank notes outstanding	639,304	631,565	627,490	652,168
Due to banks[2]	3,277,539	2,527,514	2,301,018	2,041,333
Demand deposits	10,105,885	9,393,194	9,071,452	7,910,653
Time deposits (including postal savings)	8,579,590	8,150,285	7,610,436	7,265,640
United States deposits	235,226	308,391	261,441	213,287
Total deposits	*22,198,240*	*20,379,384*	*19,244,347*	*17,430,913*
Agreements to repurchase United States Government or other securities sold	10,266	17,752	51,126	39,535
Bills payable and rediscounts	153,533	321,198	555,365	506,890
Acceptances of other banks and bills of exchange or drafts sold with indorsement	168,137	98,601	106,263	7,182
Acceptances executed for customers	442,235	354,464	397,600	279,220
Acceptances executed by other banks for account of reporting banks	5,874	6,257	5,528	3,098
Securities borrowed	11,986	9,534	9,003	7,951
Other liabilities	194,512	143,248	87,193	81,167
Total	27,642,698	25,746,064	24,662,286	22,367,711

[1] Includes customers' liability under letters of credit.
[2] Includes certified and cashiers' checks, and cash letters of credit and travelers' checks outstanding.

National banks suspended and reopened

The increasing pressure upon the banks as a result of continued credit liquidation due to the depression, the hoarding of currency, and the heavy outflow of gold to foreign countries during the greater part of the fiscal year 1932 resulted in bank failures on an unprecedented scale. This was particularly true during the critical period in the autumn of 1931 and the opening months of 1932. Constructive measures taken by various Government agencies to meet this situation and basic improvement in banking and credit conditions were effective in reducing the number of failures in subsequent months. In the six months from September, 1931, through February, 1932, there were 342 national bank suspensions whereas in the follow-

ing six months the number was reduced to less than one-third of this total. Every effort was made to expedite the liquidation and, wherever possible, the reorganization of closed institutions.

Information regarding the number and deposits of national banks suspended and of national banks reopened is presented in the following table:

National bank suspensions and national banks reopened

Year and month	Banks suspended		Banks reopened	
	Number	Deposits	Number	Deposits
Fiscal year 1930	78	$62,167,000	3	$1,208,000
Fiscal year 1931	229	231,515,000	21	24,554,000
Fiscal year 1932	458	481,329,000	32	26,245,000
1931				
July	16	7,045,000	None.	
August	29	31,629,000	None.	
September	46	79,446,000	None.	
October	100	111,088,000	2	991,000
November	35	28,039,000	2	1,036,000
December	63	87,448,000	3	589,000
1932				
January	74	63,686,000	3	3,293,000
February	24	17,098,000	5	3,026,000
March	7	4,184,000	8	8,747,000
April	6	2,634,000	3	1,793,000
May	14	6,258,000	3	3,879,000
June	44	42,474,000	3	2,891,000
July	20	17,546,000	5	15,678,000
August	17	11,853,000	2	4,398,000
September	12	2,980,000	4	2,297,000

Summary of changes in membership in the national banking system

From the inauguration of the national banking system in 1863 to June 30, 1932, charters have been issued to 13,623 national banking associations, of which 6,205 are in existence. By reason of liquidations, consolidations, and failures, 7,418 associations have been terminated.

The authorized capital of the banks in existence on June 30, 1932, was $1,589,995,815, a decrease during the fiscal year of $123,601,331. While charters were issued during the year to 63 associations, there was a net decrease of 681 in the number of banks—that is, from 6,886 to 6,205—by reason of voluntary liquidations, receiverships, and consolidations.

Changes in the number and capital of national banks during the last year are shown in the following summary:

Organization, capital stock changes, and liquidations of national banks during the fiscal year 1932

	Number of banks	Capital
Charters granted	63	$9,275,000
Increases of capital (75 banks) [1]		53,963,554
Restored to solvency	16	2,060,000
Total	79	65,298,554
Voluntary liquidations	293	116,820,300
Receiverships [2]	460	60,817,585
Decreases of capital (15 banks)		9,730,000
Closed under consolidation (act of Nov. 7, 1918) and capital decrease incident thereto	30	4,107,000
Total	783	[2] 191,474,885
Net decrease	681	123,601,331
Charters in force June 30, 1931, and authorized capital	6,886	1,713,597,146
Charters in force June 30, 1932, and authorized capital	6,205	1,589,995,815

[1] Includes 2 increases aggregating $150,000 which were effected as a result of consolidations under the act of Nov. 7, 1918, and 13 increases aggregating $26,207,500 incident to the consolidation of State banks with national banks under the act of Feb. 25, 1927, and 5 increases by stock dividends aggregating $295,504.

[2] Includes 23 banks with aggregate capital of $2,575,000 which had been previously reported in voluntary liquidation.

BUREAU OF CUSTOMS

Receipts

The fiscal year 1932 was the second year during which the tariff act of 1930 was in effect. It has been impossible, however, to determine the effect of this act either on the volume of importations or on the revenue, since the world-wide business depression which has continued unabated during the entire life of this tariff invalidates comparisons which might otherwise be presented. Despite the increased rates of duty imposed on various commodities, customs collections continued to recede throughout the year, amounting in June to little more than half the total for the preceding July. This decrease in revenue is attributable in a large measure to a further falling off in commodity prices, such prices having reached a lower level than at any time during recent years.

The following statement shows customs receipts, refunds, and net proceeds for the past two fiscal years based on the amounts actually collected and disbursed by collectors of customs:

Customs receipts and refunds during the fiscal years 1931 and 1932

	1931		1932	
Receipts:				
Duties, including tonnage tax		$379,881,770		$328,024,255
Miscellaneous—				
Sale of unclaimed merchandise and abandoned goods	$10,829		$32,410	
Fines	1,800,884		1,285,916	
Sale of seizures	112,411		69,648	
All other customs receipts	150,873		81,613	
Total miscellaneous		2,074,997		1,169,587
Total receipts		381,956,764		329,193,842
Refunds:				
Excessive duties	8,562,334		5,444,373	
Drawback payments	12,830,375		11,455,874	
Total refunds		21,392,709		16,900,247
Net customs receipts from all sources		360,564,055		312,593,595

The proceeds from the sale of unclaimed and abandoned merchandise and seizures do not represent the total amount received from such sales and deposited in the Treasury, since the amount of duties accruing on such merchandise is deducted and deposited as duties. The amounts in the foregoing table, therefore, show only the balances remaining from the proceeds of sale after deduction of duties and expenses connected with the sale.

Volume of business

Entries of merchandise.—The number of entries of merchandise, although smaller than during the preceding year, did not decline to as great an extent as the volume of imports. The total number of entries, 2,350,599, was less than that for any fiscal year since 1923 and 15.2 per cent less than in 1931. Practically all classes of entries participated in this decline.

Vessels, highway traffic, etc.—The number of vessels entered at the various seaports in the United States and the volume of vehicular and passenger traffic for the last two fiscal years are shown in the following table:

Number of vessels, automobiles, airplanes, and passengers entered into the United States during the fiscal years 1931 and 1932

	1931	1932	Decrease
Vessels	80, 743	70, 417	10, 326
Automobiles, busses, etc	12, 371, 421	11, 218, 455	1, 155, 969
Airplanes	6, 708	5, 913	793
Passengers arriving by—			
Vessels and ferries	5, 859, 997	3, 998, 698	1, 861, 299
Automobiles, busses, etc	37, 473, 686	32, 975, 879	4, 497, 807
Trains	1, 436, 552	1, 111, 819	324, 733
Airplanes	20, 907	18, 945	1, 962

Drawback transactions.—The number of drawback entries received during the fiscal year was 21.4 per cent smaller and the number of notices of intent received 24.4 per cent smaller than during 1931. Since the amount of drawback allowed relates to a considerable extent to importations of the previous fiscal year, its shrinkage was considerably smaller, amounting to only 11.2 per cent. The drawback actually paid amounted to $11,455,874, as compared with $12,830,375 during 1931.

Under authority of section 318 of the tariff act of 1930, the President, by proclamation, declared an emergency to exist because of general business conditions and authorized the Secretary of the Treasury to extend the period of time within which merchandise imported on or before December 31, 1929, may be withdrawn from warehouse, may be proved to have been used in the manufacture of floor coverings under paragraph 1101 of the tariff act of 1922, or may be exported with benefit of drawback. Extensions of one year were granted in each of these cases by Treasury Decisions 45541, 45591, and 45627, respectively, provided the statutory period had not expired before the date of the applicable proclamation.

Seizures.—The number of seizures for customs violations during the fiscal year 1932 aggregated 68,183, as compared with 40,995 during

the previous year, an increase of 66.3 per cent. This large increase in the number of seizures was due to the flood of lottery tickets and other prohibited articles which inundated the country. Actual merchandise seizures were considerably fewer than during 1931, and the value of such seizures was only one-half as great as during the previous year. The number and value of liquor and narcotic seizures also declined, with the single exception of an increase in the quantity of alcohol seized by customs officials, this increase being due to two unusually large seizures at New Orleans and Buffalo.

Most of the spirituous liquors seized by customs officials during the fiscal years 1931 and 1932 were taken in the districts along the Atlantic coast, 73.7 per cent being seized in this region during 1932, as compared with 78.1 per cent during the preceding year. Seizures of malt liquor, on the other hand, were made chiefly along the Canadian border, approximately nine-tenths of the total being reported from this region.

In connection with the illicit transportation of liquor and narcotics, 1,342 automobiles and 456 boats were seized during the year. In addition, 353 automobiles valued at $101,299 and 73 boats with a valuation of $93,444 were seized for various violations other than the transportation of liquor and narcotics. The total seizure of boats declined from 564 in 1931 to 529 in 1932, or 6.2 per cent, while their value showed an increase of $111,043, or 8.5 per cent. The total number of automobiles seized was 504 less than during 1931, a decline of 22.9 per cent, while their value declined by $266,212, or 39.3 per cent.

Other governmental enforcement agencies cooperated in the enforcement of the customs laws, and in a number of instances customs officials made seizures for violations of other than customs laws.

Fines and penalties collected.—Fines and penalties collected for violation of customs laws amounted to $1,285,916, as compared with $1,800,884 during the previous fiscal year, a decrease of 28.6 per cent. This decrease is due chiefly to the fact that during the previous fiscal year several unusually large fines were collected at the port of New York.

Most of the classes of violations for which comparable figures are available show a decrease since last year. Penalties for failure to report to customs officials upon entering the United States and for unlading merchandise without permit, however, show increases of 107 and 150 per cent, respectively, while penalties for failure of masters to manifest their entire cargoes were 12 per cent greater than during 1931. Fines for miscellaneous violations also resulted in increased collections.

Only one-fifth of the fines collected during the fiscal year 1932 represented penalties imposed on passengers from abroad for failure to make declaration of all of their foreign purchases. This constituted a decline of 69 per cent from the fines collected for this violation in 1931, during which year penalties of this sort constituted almost one-half of the total collections. These fines include the personal penalty equal to the home value of the goods and such additional amounts as were paid to secure release after forfeiture.

During the past two fiscal years, many fines levied against masters for failure to manifest all articles and for unlading without permit were made as the result of liquor seizures.

Informers.—Awards of compensation to informers who reported customs frauds aggregated $250,000 during the fiscal year, the total net amount recovered by the Government in these cases being approximately $1,000,000. Many of these frauds were so carefully planned and cleverly executed that the most exhaustive investigation would have been unsuccessful but for the information and assistance furnished by such informers.

Smuggling

Legitimate merchandise.—Reduction of duty on cut diamonds to 10 per cent by the tariff act of 1930, and placing uncut diamonds on the free list have reduced smuggling of these commodities to a minimum. One major case of commercial smuggling of jewels was reported, the articles seized being appraised at a value of $95,000.

Contraband merchandise.—A large number of seizures of narcotics was made by customs officers during the year on their own initiative and upon information furnished by the Bureau of Narcotics. A number of important seizures of smoking opium were made independently by customs officers on vessels arriving from Oriental ports, five of such seizures aggregating 6,891 ounces in connection with which penalties amounting to $172,275 were imposed.

Specially trained agents continue to concentrate on the apprehension of narcotic smugglers. While there was but a slight decrease in the number of narcotic seizures, there was a decided decrease in the value thereof. During the fiscal year 1931, 194 seizures of narcotics were made valued at $252,041; while during the previous fiscal year 172 seizures, with a value of $91,746, were made.

Petty liquor seizures during the year were practically the same as during the previous years, although major liquor seizures decreased in number and increased in quantity. Liquor smuggling, while on the decrease, continued to be one of the major problems with which the investigative unit had to deal. While there was a considerable falling off in the amount of liquors seized, the number of convictions for liquor smuggling in connection with cases developed by the Customs Service was larger than during any previous year.

Airplanes.—Smuggling by airplane appears to have greatly increased during the year. A small unit equipped with confiscated planes was put in operation on the Mexican border to combat this type of smuggling, and it met with almost immediate success in the pursuit and capture of two contraband-laden planes which crossed the border at a high altitude and landed in the interior of Texas. Thirty-five airplanes were seized for penalties or forfeiture during the year.

Antidumping

Complaints against importations of foreign merchandise at prices alleged to be unfair and requests for the application of the provisions of the antidumping act of 1921 to such importations have increased very materially during the year. Efforts have been made to investigate all such complaints with a view to affording domestic industry such protection as may be available under the terms of the act. At the close of the fiscal year about 50 cases were pending, a number of which were nearing completion.

Convict, forced, and indentured labor under penal sanctions

A world-wide investigation developed the fact that there are not many lines of foreign merchandise produced by convict labor, forced labor, or indentured labor under penal sanctions which find their way into the general commerce of the world. For the most part, goods produced by these forms of labor are consumed by the governments of the countries in which they are produced.

The department was able to develop evidence in one case during the fiscal year 1932 in which foreign convict-manufactured merchandise was being imported into the United States, and the provisions of section 307 of the tariff act of 1930 were invoked against such merchandise and its importation was prohibited.

Investigative activities

Port examinations.—The port examination committee was reorganized during the year for the purpose of conducting more efficiently this important work. While no scheduled examinations were made, agents stationed in the various districts completed 217 semiannual examinations of the financial condition of headquarters and subports.

Undervaluations.—This is one of the most important phases of the work of the investigative unit both in the United States and abroad. While the actual recoveries in increased and additional duties made as a result of this class of investigations during the fiscal year 1932 ($607,764.62) were somewhat less than in 1931 ($857,341.54), there was no decrease in the number of such cases handled. Apparently, the world-wide economic distress was a contributing factor in the continued large number of undervaluation cases handled.

False invoicing and entry.—Continued attempts were made during the year by unscrupulous importers to defraud the customs revenue by falsely invoicing merchandise. In one case, an importer of embroidered articles invoiced and entered 13,393 dozen linen handkerchiefs at a value of $7,533, duty being paid on that amount; whereas, investigation disclosed the fact that 110,476 dozen had actually been imported at a value of $90,950. Negotiations for settlement of this case are still pending.

Criminal cases.—In connection with the smuggling of contraband merchandise, customs agents during the year investigated and reported 988 criminal cases to United States attorneys involving 347 defendants, and investigated and reported 532 civil petitions.

Customs information exchange.—The customs information exchange continued its activities as the clearing house for information respecting market values and classifications for the entire Customs Service. In this capacity the following work was performed by it during the year:

Appraisers' reports of value received	13,595
Appraisement appeal reports received	2,710
Advanced value reports received	4,620
Changes in value circulated	2,841
Requests for investigations abroad	1,269

Drawback.—The number of drawback investigations continued to increase throughout the country. Apparently, there are two causes for this increase: First, the provisions of section 313 (b) of the tariff act of 1930; and, second, because of the depression importers have endeavored to take advantage of drawback privileges to unload old

and obsolete stock. This has necessitated the strictest investigation of applications for drawback rates.

During the fiscal year 1931, 2,863 drawback investigations were made, an increase of slightly more than 44 per cent over 1930; while during the fiscal year 1932, 3,244 such investigations were made, an increase of almost 20 per cent over 1931.

Summary.—The following tabular statement shows the results during the past year of the investigative unit so far as direct results can be measured in dollars and cents or by count of individual cases:

Number of ports examined	217
Number of drawback investigations	3,244
Number of foreign investigations	2,336
Number of arrests	1,323
Number of convictions	610
Number of acquittals	60
Number of failures to indict	91
Number of indictment cases pending	298
Number of seizures made	1,144
Number of seizures appraised	1,218
Number of seizures released or pending	338
Appraised value of seized merchandise	$2,744,808.35
Fines, penalties, and forfeitures incurred, exclusive of court fines	1,501,902.68
Proceeds of sale of seized merchandise	83,605.45
Increased and additional duties collected	607,764.62
Amount deposited in offers of compromise	305,540.60
Fines imposed by United States courts	239,377.98
Bail forfeited	177,000.00

Miscellaneous

During the fiscal year 1932, the Customs Service in conjunction with the Immigration Service entered into contracts for the erection of seven small customs-immigration inspection station buildings in the districts of Maine and New Hampshire. Construction work on these buildings was begun during the latter part of the year.

The Bureau of Customs also continued its endeavors to give those entering the country at the various ports a clearer understanding of the laws and regulations affecting the entry and examination of passengers and their baggage, automobiles, and other personal and household effects. The booklet for overseas passengers was revised and a new booklet and leaflet were printed for the information of those arriving at border ports. In addition, newspaper articles were prepared and distributed explaining in detail the requirements at border ports.

The bureau has also prepared drafts of two manuals of instructions for inspectors of customs and for customs patrol inspectors, which are expected to be issued during the next calendar year.

DISBURSING CLERK

The following is a summary of the work performed by the office of the Disbursing Clerk during the fiscal year 1932:

	Number	Amount
Disbursements:		
Checks (salaries, expenses, supplies, etc.)	353,181	$121,754,554.52
Cash (salaries)	192,180	17,109,443.72
Checks (refunding taxes illegally collected)	123,286	81,585,428.06
Total	668,647	220,449,426.30
Collections on account of rents, sales, etc	9,729	1,181,655.49
Vouchers paid	297,063	
Schedules of claims for tax refunds	6,632	
Appropriations under which disbursements were made	1,043	

The cash payments and the checks for salaries, expenses, supplies, etc., cover disbursements for all bureaus and divisions of the Treasury Department in the District of Columbia (except the Bureau of Engraving and Printing), and a large portion of the salaries and expenses outside the District of Columbia under the Public Health Service, Supervising Architect's Office, Bureau of Internal Revenue, Bureau of Industrial Alcohol, Bureau of Narcotics, Federal Farm Loan Board, Comptroller of the Currency, Coast Guard, Secret Service, Bureau of Customs, and Public Debt Service.

Collections represent moneys received and accounted for on account of rents of buildings and sites, sales of public property, etc., under various bureaus and offices of the department.

BUREAU OF ENGRAVING AND PRINTING

Deliveries by the bureau during the year amounted to 333,998,086 sheets, as compared with 325,523,665 sheets for the previous year, an increase of 8,474,421 sheets, or 2.6 per cent. A comparative statement of deliveries of finished work in the fiscal years 1931 and 1932 follows:

Deliveries of finished work in the fiscal years 1931 and 1932

	Sheets		Face value 1932
	1931	1932	
Currency:			
United States notes	6,162,000	4,165,000	$231,720,000
Silver certificates	52,130,000	59,709,000	716,508,000
Gold certificates	4,458,000	3,326,000	895,200,000
National bank currency	3,999,998	4,310,516	437,299,440
Federal reserve notes	14,853,144	10,893,350	1,998,780,000
Total	81,603,142	82,703,866	4,279,507,440
Bonds, notes, and certificates:			
Pre-war bonds	12,606½	41,265	165,489,600
Liberty bonds	142,693	329,140 11/12	1,523,419,000
Treasury bonds	393,277⅔	570,361⅙	2,378,521,000
Treasury notes	3,501	78,975	2,681,400,000
Treasury bills	6,160	14,426	6,847,416,000
Treasury certificates		128,750	87,500,000
Certificates of indebtedness	73,535	116,210	6,374,500,000
Insular bonds—			
Philippine Islands	1,521	200	200,000
Puerto Rican	7,973½	2,358 9/10	1,082,000
Farm loan bonds	222,055⅘	70,283⅗	41,001,400
Certificates for farm loan bonds	2,500		
Collateral trust debentures	5,940	13,315	373,675,000
Philippine treasury certificates	1,056,000	112,000	5,150,000
Interim transfer certificates for postal savings bonds		3,000	
Interim certificates for Puerto Rican bonds	650	650	
Bonds evidencing indebtedness of foreign governments to the Government of the United States	162	327	
Specimens—			
Liberty bonds	5		
Treasury bonds	2⅓	1⅙	
Treasury notes		1¾	
Treasury bills	⅙	⅓	
Treasury certificates		¾	
Certificates of indebtedness	1½	2¼	
Insular bonds—			
Philippine Islands	2		
Puerto Rican	7 3/20	3	
Farm loan bonds	8⅗	1	
Certificates for farm loan bonds	8		
Bonds evidencing indebtedness of foreign governments	1	2	
Total	1,928,611 13/60	1,781,277⅚	20,479,354,000

Deliveries of finished work in the fiscal years 1931 and 1932—Continued

	Sheets		Face value 1932
	1931	1932	
Stamps:			*Subjects*
Customs	33,500	35,250	1,350,000
Internal revenue—			
United States	88,884,681 1/204	94,130,252 9/17	8,391,100,947
Philippine Islands	197,865		
Puerto Rican	193,680	584,628	42,231,225
Virgin Islands	300		
Specimens, United States	35	3,236 21/34	37,153
Postage stamps—			
United States	139,127,353	138,869,943	15,299,853,860
United States, surcharged "Canal Zone"	7,060	10,500	1,050,000
Canal Zone	65,814	63,710	4,938,700
Philippine Islands	716,289	936,834 1/3	80,660,800
Specimens, United States	30 9/20	86 54/100	8,633
Postal savings stamps	3,007 1/2	4,577	457,700
Total	229,229,614 487/510	234,639,017 1079/1275	23,821,689,018
Miscellaneous:			
Checks	7,896,135	8,451,515	42,256,950
Drafts		20,025	41,350
Warrants	52,080	41,200	206,000
Commissions	30,045 1/2	139,233	77,918
Certificates	1,807,057	3,440,020 5/6	14,875,582
Transportation requests	370,143	304,235	1,521,175
Liquor permits	2,464,087 1/2	2,274,600	9,444,800
Other miscellaneous	157,646 1/2	188,757 3/4	2,204,578
Blank paper	4,750	7,000	
Specimens	52	7,338	30,440
Total	12,762,296 1/2	14,873,924 23/36	70,658,793
Grand total	325,523,664 137/204	333,998,086 1837/15300	

There was expended during the year $9,394,016.61 as compared with $9,426,366.29 in 1931, a decrease of $32,349.68, or 0.34 per cent. The following statement shows the appropriations, reimbursements, and expenditures for the fiscal years 1931 and 1932.

Appropriations, reimbursements, and expenditures for the fiscal years 1931 and 1932

	1931	1932	Increase (+) or decrease (−)
Appropriated by Congress, salaries and expenses	$6,362,315.00	$6,813,938.00	+$451,623.00
Reimbursements to appropriation from other bureaus for work completed [1]	3,105,774.21	2,597,008.89	−508,765.32
Total	9,468,089.21	9,410,946.89	−57,142.32
Expended, salaries and expenses [2]	9,426,366.29	9,394,016.61	−32,349.68
Unexpended balance	41,722.92	16,930.28	−24,792.64

[1] An additional amount of $7,666.29, received from sale of by-products and useless property, was deposited to the credit of the Treasurer of the United States as miscellaneous receipts.
[2] Includes $15,000 in 1931 and 1932 transferred to Bureau of Standards for research work; and $275,768.04 and $283,345.13 transferred to retirement fund in 1931 and 1932, respectively.

The average number of persons employed during the year was 4,486 as compared with 4,567 during the previous fiscal year, a decrease of 81 persons, or 1.77 per cent.

Overemployment, a condition existing in certain groups for the past three years, was prevalent during 1932. All surplus personnel, however, was reduced under that for 1931 by reason of voluntary and

automatic separations from the service. The policy of conducting a rotating furlough was continued. This furlough, however, applied only to those groups in which overemployment existed.

On June 30, 1932, 37 employees of this bureau were retired in accordance with the provisions of the economy act.

Spoilage was reduced, the percentage for 1932 being 3.08 per cent as compared with 3.95 per cent for the year 1931.

The following dies were engraved for new postage stamps during the year:

Class	Denomination
	Cents
Bicentennial Series (George Washington head)	4, 5, 9, 10
Olympic (Lake Placid)	2
Arbor Day	2
Olympic (Los Angeles)	3, 5
Philippine:	*Centavos*
Mayon Volcano	2
Post office, Manila	4
Manila Bay	12
Pagsanjan Falls	18
Rice planting	20
Rice terraces	24
Baguio Zig-zag	32
Canal Zone:	*Cents*
General Hodges head	10
Jackson Smith head	15
H. H. Rousseau head	20
Air mail	5, 10, 15, 20, 40
Postage due	1, 2, 5, 10

A considerable amount of work in the engraving and surface printing divisions was involved in making effective the provisions of the act of March 3, 1931, which required that a new series of revenue stamps be printed for each calendar year. As much of the stocks prepared for shipment as could be salvaged was removed from the vaults and overprinted, and the remaining stocks were delivered to the destruction committee. New plates were prepared bearing the series number, and new stamps were printed. As the cost of making this change was not contemplated in the estimates for the fiscal year 1932, and as additional orders above the amount estimated for disbursing officer's checks were received, it was necessary to present a deficiency estimate. The amount of this estimate, $113,938, was made available by an appropriation from Congress on July 1, 1932.

During the past year the work of removing the machine shop from its old quarters to D wing of this building, which was referred to in last year's report, was completed. The new shop is modern in every respect, and efficiency of the mechanics has been increased by reason of better working conditions.

New quarters for the Division of Paper Custody, Office of the Commissioner of Public Debt, were provided for in an annex formerly occupied by a branch of the Surface Printing Division. This building was thoroughly renovated, painted, and furnished with modern equipment to facilitate the storage and handling of distinctive fiber paper. The removal of this division from its former quarters in the basement of the main building was accomplished during the early part of the year. On January 1, 1932, the storage and custody of internal revenue,

postage, and check paper were transferred from the Division of Paper Custody to this bureau.

The renovation of the electric shop was in progress at the close of the year. The work of purchasing and installing equipment in connection with the maceration of mutilated currency by the de-inking process made considerable progress.

During the fiscal year 1931 designs and specifications were prepared for the construction of two postage stamp-gumming machines. These machines were required to accommodate the increase in production of postage stamps by the flat-bed printing process and to replace a gumming machine which had been in service for many years. One of these machines was delivered during the latter part of the fiscal year and placed in satisfactory operation. This machine is of modern design and construction. The installation of the machine has resulted in a saving of labor and an increase in production.

Among the important improvements accomplished during the year were designing and construction of a new sizing machine; installation of rotary circulating pumps for feeding the sizing solution to the machines, replacing the old reciprocating pumps which had a tendency to make the solution foam; installation of a new packing device on wetting machines; designing and construction of a new drying unit for rotary presses; installation of concrete floors in lieu of wooden floors on the second, third, and fourth floor corridors; and partial renovation of the cafeteria.

The usual inventories of stocks on hand were conducted by auditors charged with that work. In all cases stocks on hand were reported to agree with the records.

COMMITTEE ON ENROLLMENT AND DISBARMENT OF ATTORNEYS AND AGENTS

The Committee on Enrollment and Disbarment of Attorneys and Agents, created by department Circular No. 230, dated February 15, 1921, is responsible for the examination of applicants wishing to practice as attorneys, agents, or other representatives before the Treasury Department or offices thereof, and receives complaints, conducts hearings, and makes inquiries concerning violations of the regulations by enrolled practitioners. The conclusions of this committee in each case are submitted as recommendations to the Secretary of the Treasury.

During the fiscal year 1932, 2,379 applications for enrollment of attorneys and agents were approved and 15 were disapproved. In 7 cases the applicant for enrollment was afforded a formal hearing by the committee. Since the organization of the committee in 1921, 32,465 applications have been approved and 488 disapproved. Some 8,600 persons were enrolled prior to the organization of the committee and many of them are now in active practice.

On June 30, 1931, complaints were pending against 99 enrolled individuals, 57 new complaints were filed during the year, and 66 were disposed of by the Secretary, leaving 90 pending on June 30, 1932. In 16 cases the Secretary, on recommendation of the committee, accepted the answers of the respondents as sufficient and the complaints were dismissed. In 50 cases the committee, after formal hearing accorded the respondent, submitted its findings and recom-

mendations to the Secretary who disposed of them as follows: In 12 cases it was found that the charges were not proven and the complaints were dismissed; in 38 cases the charges were found proven in whole or in part, and the Secretary imposed penalties—23 practitioners were disbarred from further practice before the Treasury Department, 7 were suspended from practice for various periods, and 8 were reprimanded. During the year three practitioners who had formerly been disbarred were reinstated to practice before the department. Since the organization of the committee in 1921, 113 practitioners have been disbarred, 107 have been suspended from practice for various periods, and 145 have been reprimanded, while 12 disbarred practitioners have been reinstated to practice before the Department.

It is the policy of this committee to give an enrolled attorney or agent opportunity to show cause why formal disbarment proceedings should not be instituted against him; three such cases occurred during the year.

FEDERAL FARM LOAN BUREAU

Operations of Federal land banks

During the fiscal year 1932 the Federal land banks made 7,257 first mortgage loans in the aggregate amount of $27,445,700, a relatively small part of which represented purchase money mortgages approved as collateral for farm loan bonds. From organization to June 30, 1932, the total of such credit aggregated $1,709,155,914.87, representing 526,460 loans. Mortgage loans were outstanding on June 30, 1932, in the total amount of $1,147,110,513.24. On the same date $1,148,729,920 of farm loan bonds of Federal land banks were outstanding, including $4,400 bonds matured or called for redemption but not including $1,266,160 held by banks of issue.

The combined capital stock of the 12 Federal land banks on June 30, 1932, amounted to $189,861,594.25. Of this amount, $125,175,939.25 was owned by the Federal Government, $63,869,540 by national farm loan associations, $705,175 by borrowers through the Puerto Rico branch, and $110,940 by other borrowers. The capital stock owned by the Federal Government consisted of $125,000,000 of additional capital subscribed in accordance with the amendment to the Federal farm loan act approved January 23, 1932, and $175,939.25 remaining in two banks from the Government's subscription to the original capital stock of the banks. The latter figure was decreased from $237,733 during the year by retirements in the manner provided by the farm loan act. The 12 banks reported legal reserves as of June 30, 1932, totaling $13,374,526.38, undivided profits of $3,674,033.06, and special reserves against real estate, delinquent installments, etc., and other reserves aggregating $19,730,631.60.

National farm loan associations decreased in number from 4,653 to 4,651.

No change was made during the fiscal year in the rates of interest charged by the banks on new loans. The Federal land banks of Springfield, Louisville, St. Louis, St. Paul, Omaha, Wichita, Houston, Berkeley, and Spokane maintained their rate of 5½ per cent, and the Columbia, New Orleans, and Baltimore banks continued a rate of 6 per cent, while that of the Puerto Rico branch of the Baltimore bank remained at 6½ per cent.

The following table shows total assets, net mortgage loans, and principal liabilities of each of the Federal land banks as of June 30, 1932:

Principal assets and liabilities of Federal land banks on June 30, 1932

Federal Land Bank of—	Total assets [1]	Net mortgage loans [2]	Bonds outstanding [3]	Capital stock	Reserves and undivided profits [1]
Springfield	$60, 239, 693	$50, 122, 855	$48, 686, 960	$9, 700, 585	$466, 931
Baltimore	78, 965, 536	66, 040, 506	65, 451, 340	10, 526, 345	861, 623
Columbia	73, 411, 951	52, 315, 052	55, 357, 080	16, 146, 565	357, 725
Louisville	133, 593, 886	117, 601, 891	113, 980, 940	14, 828, 660	2, 459, 379
New Orleans	128, 670, 319	98, 895, 115	106, 278, 220	18, 596, 940	1, 264, 674
St. Louis	120, 816, 396	101, 753, 406	102, 949, 240	15, 323, 260	709, 803
St. Paul	152, 903, 430	110, 136, 482	122, 943, 020	25, 344, 045	1, 037, 682
Omaha	183, 337, 001	165, 465, 671	157, 499, 240	18, 874, 195	3, 241, 871
Wichita	100, 811, 635	87, 430, 726	85, 768, 100	11, 995, 765	1, 088, 421
Houston	172, 500, 521	156, 835, 915	146, 003, 300	18, 182, 875	5, 149, 872
Berkeley	60, 616, 580	49, 276, 341	48, 716, 360	10, 213, 304	522, 824
Spokane	117, 591, 188	91, 236, 554	95, 091, 720	20, 129, 055	54, 323
Total	1, 383, 458, 136	1, 147, 110, 513	1, 148, 725, 520	189, 861, 594	17, 215, 128

[1] Special reserves set up against particular assets have been deducted.

[2] Represents the outstanding balance of first mortgage loans closed by the banks, including such purchase money first mortgages as have been approved as collateral for farm loan bonds in accordance with the provisions of the farm loan act, but excluding purchase money first mortgages not so approved and excluding purchase money second mortgages.

[3] Bonds on hand and bonds matured or called but not yet presented for payment are not included.

Operations of joint stock land banks

During the fiscal year, liquidation was completed of two of the three joint stock land banks which were in receivership at the beginning of the year; and two banks were placed in receivership upon default in the payment of bond interest. At the end of the year there were 51 joint stock land banks, including 1 in voluntary liquidation and 3 in process of liquidation through receivership.

Joint stock land banks reported 661 loans closed during the year, amounting to $2,894,838.64, bringing the total loans by these banks from organization to June 30, 1932, to 129,907 loans, in the total amount of $899,899,155.89. The loans closed during the year represent mainly mortgages taken to secure a portion of the purchase price upon the sale of real estate which had been acquired by the banks.

The reports submitted by the banks to the Federal Farm Loan Board as of June 30, 1932, indicated that the capital stock of 48 banks on that date was $39,073,060.24, while legal reserves were $5,580,713.51 and surplus paid in, surplus earned, and undivided profits were $8,017,811.27. They reported also special reserves against real estate, delinquent installments, etc., and other reserves in the aggregate amount of $11,462,628.51. Deficits reported by 8 joint stock land banks aggregated $3,843,035.41. Mortgage loans were outstanding in the net amount of $472,360,681.86. Farm loan bonds of joint stock land banks in the amount of $485,381,980 were outstanding, including $3,000 of bonds matured or called for redemption, but not including $2,774,640 held by banks of issue.

In addition, the net amount of mortgage loans outstanding in the 3 banks in process of liquidation through receivership was $29,540,989.83. These 3 banks had a total of $54,944,800 of bonds outstanding on the respective dates on which they were placed in receivership.

The following table shows total assets, net mortgage loans, and principal liabilities of each joint stock land bank as of June 30, 1932:

Principal assets and liabilities of joint stock land banks on June 30, 1932 [1]

Name and location of bank	Total assets [2]	Net mortgage loans [3]	Bonds outstanding [4]	Capital stock	Surplus, reserves, and undivided profits [2]
Atlanta, Atlanta, Ga	$5,759,898	$1,387,813	$5,183,500	$350,000	$90,233
Atlantic, Raleigh, N. C	14,805,059	12,177,625	13,174,000	907,500	247,574
Burlington, Burlington, Iowa	3,079,958	2,374,460	2,887,000	250,000	(5)
California, San Francisco, Calif	15,694,766	14,181,382	13,612,000	916,000	874,916
Chicago, Chicago, Ill	45,272,652	32,477,222	42,728,100	1,000,000	(5)
Corn Belt, Taylorville, Ill	858,275	780,720	550,000	250,000	11,792
Dallas, Dallas, Tex	38,925,973	35,271,402	34,722,000	2,431,200	920,473
Denver, Denver, Colo	14,067,267	12,704,836	12,069,000	1,184,800	548,403
Des Moines, Des Moines, Iowa	10,738,233	7,360,049	10,203,000	1,150,000	(5)
First Carolinas, Columbia, S. C	10,511,124	7,211,911	9,721,500	785,000	(5)
First, Fort Wayne, Ind	7,632,127	6,731,657	6,884,200	400,000	249,562
First, Montgomery, Ala	8,518,155	7,283,906	7,802,500	550,000	18,983
First, New Orleans, La	3,775,026	3,082,781	3,384,000	250,000	45,978
First Texas, Houston, Tex	7,417,852	6,713,987	6,487,600	550,000	205,164
First Trust, Chicago, Ill	70,190,976	66,002,368	63,711,000	4,600,000	848,954
Fletcher, Indianapolis, Ind	16,415,036	15,028,969	14,455,100	750,000	1,032,530
Fremont, Lincoln, Nebr	8,358,754	7,113,371	7,214,500	850,000	150,669
Greenbrier, Charleston, W. Va	2,312,030	2,027,494	1,981,000	250,000	43,728
Greensboro, Greensboro, N. C	4,792,197	4,089,004	4,273,000	250,000	147,362
Illinois, Monticello, Ill	6,927,718	6,162,457	6,314,000	450,000	110,159
Illinois Midwest, Edwardsville, Ill	5,490,986	4,868,787	5,054,000	350,000	(5)
Indianapolis, Indianapolis, Ind	1,115,673	1,029,700	817,500	250,000	21,953
Iowa, Sioux City, Iowa	7,879,163	6,950,441	6,879,300	500,000	378,081
Kentucky, Lexington, Ky	9,899,325	8,805,264	9,028,000	650,000	[5] 3,621
La Fayette, La Fayette, Ind	8,987,976	8,394,717	8,318,900	300,000	253,526
Lincoln, Lincoln, Nebr	33,676,736	29,873,783	29,820,000	2,711,400	618,878
Louisville, Louisville, Ky	5,730,517	4,505,632	5,257,500	500,000	(5)
Maryland-Virginia, Baltimore, Md	2,620,967	2,420,352	2,174,500	250,000	164,202
Minneapolis-Trust, Minneapolis, Minn	4,747,170	4,151,129	4,039,000	450,000	213,894
Mississippi, Memphis, Tenn	4,165,776	3,352,328	3,592,000	350,000	29,923
New York, Rochester, N. Y	12,662,001	10,677,500	11,285,000	800,000	303,548
North Carolina, Durham, N. C	13,923,528	9,926,517	12,329,500	760,000	369,559
Northwest, Portland, Oreg	105,536	11,586		87,160	16,862
Oregon-Washington, Portland, Oreg	3,172,301	2,634,579	2,695,000	250,000	37,169
Pacific Coast, Portland, Oreg	7,469,129	7,012,403	6,586,000	450,000	233,389
Pacific Coast, Salt Lake City, Utah	4,320,981	4,024,193	3,783,000	300,000	92,026
Pacific Coast, San Francisco, Calif	19,233,761	16,930,351	15,497,000	1,460,000	745,620
Pennsylvania, Philadelphia, Pa	6,205,302	5,546,970	5,317,000	418,500	346,096
Phoenix, Kansas City, Mo	23,440,234	20,677,933	18,426,280	1,650,000	3,199,945
Potomac, Washington, D. C	5,832,799	5,017,172	5,148,500	400,000	166,800
San Antonio, San Antonio, Tex	18,097,178	16,902,605	16,026,000	1,226,500	491,877
Southwest, Little Rock, Ark	4,298,184	3,805,152	3,910,400	285,000	23,754
Tennessee, Memphis, Tenn	3,467,353	3,064,624	3,051,000	250,000	91,755
Union, Detroit, Mich	21,390,501	18,826,839	19,029,500	1,370,000	413,017
Union, Louisville, Ky	2,597,129	2,007,964	2,325,360	250,000	(5)
Union Trust, Indianapolis, Ind	642,173	588,292	252,000	250,000	132,721
Virginia-Carolina, Elizabeth City, N. C	6,492,477	5,397,837	5,756,500	400,000	212,575
Virginian, Charleston, W. Va	13,286,145	11,752,619	11,583,900	1,150,000	353,611
Total	547,004,377	472,360,682	485,378,980	39,073,060	14,461,217

[1] Joint stock land banks in receivership are not included.
[2] Special reserves set up against particular assets have been deducted.
[3] Represents the outstanding balance of first mortgage loans closed by the banks, including such purchase money first mortgages as have been approved as collateral for farm loan bonds in accordance with the provisions of the farm loan act, but excluding purchase money first mortgages not so approved and excluding purchase money second mortgages.
[4] Bonds on hand and bonds matured or called but not yet presented for payment are not included.
[5] These banks had deficits as follows:

Burlington	$104,900.56
Chicago	2,107,415.54
Des Moines	880,172.08
First Carolinas	479,695.51
Illinois Midwest	40,183.98
Kentucky	80,886.38
Louisville	122,930.40
Union, Louisville	26,850.96
Total	3,843,035.41

Operations of Federal intermediate credit banks

During the fiscal year loans made by the Federal intermediate credit banks to cooperative marketing associations, including renewals, amounted to $128,308,196.47, bringing the total loans from organization to June 30, 1932, to $783,672,039.14. The loans to cooperative associations outstanding on that date aggregated $35,628,482.97.

Loans to and discounts for financing institutions during the year amounted to $126,518,039.90, including renewals. This brought the total credit extended to financing institutions from organization to June 30, 1932, to $734,328,855.12. Outstanding credit for financing institutions on that date aggregated $80,462,366.13.

The earnings of the 12 banks during the calendar year 1931 aggregated $1,396,357.28, of which $1,353,768.75 was transferred to the banks' reserves for contingencies. This compares with earnings of $1,482,936.20 during the calendar year 1930, of which $1,335,728.10 was carried to reserves for contingencies.

As of June 30, 1932, 10 banks reported surplus, reserves, and undivided profits aggregating $4,585,552.61; 1 bank reported no surplus, reserves, or undivided profits; and 1 bank reported a deficit of $622,840.97, as compared with a deficit of $639,251.96 at the end of the fiscal year 1931.

At the beginning of the fiscal year the interest rate of 9 of the banks on loans and discounts was 3¾ per cent per annum, while the rate of 3 banks and the Puerto Rico office was 4 per cent. Increases in the rates of interest paid on debentures issued by the banks during the latter part of 1931 and the early part of 1932 necessitated increases in the rates charged by the banks. Sales of debentures toward the end of the fiscal year at more favorable interest rates, however, enabled the banks to reduce the rates charged by them, so that on June 30, 1932, the rate of 7 banks was 3½ per cent per annum; 3 banks and the Puerto Rico office, 4 per cent; 1 bank, 4½ per cent; and 1 bank, 3¾ per cent.

The following table shows total assets, loans and discounts, and principal liabilities of each Federal intermediate credit bank as of June 30, 1932:

Principal assets and liabilities of Federal intermediate credit banks on June 30, 1932

Federal Intermediate Credit Bank of—	Total assets	Loans and discounts	Debentures outstanding [1]	Capital stock	Surplus, reserves, and undivided profits
Springfield	$13, 189, 389	$9, 110, 353	$7, 550, 000	$5, 000, 000	$534, 734
Baltimore	7, 100, 432	2, 543, 234	1, 750, 000	5, 000, 000	291, 202
Columbia	7, 547, 105	6, 265, 354	3, 100, 000	5, 000, 000	(2)
Louisville	7, 696, 985	4, 059, 310	2, 100, 000	5, 000, 000	514, 095
New Orleans	12, 937, 673	9, 134, 255	7, 200, 000	5, 000, 000	468, 067
St. Louis	11, 238, 101	7, 180, 157	5, 645, 000	5, 000, 000	190, 266
St. Paul	13, 324, 898	10, 143, 991	7, 550, 000	5, 000, 600	557, 377
Omaha	14, 550, 196	11, 530, 988	8, 765, 000	5, 000, 000	588, 431
Wichita	8, 277, 202	5, 015, 663	2, 525, 000	5, 000, 000	450, 357
Houston	24, 073, 439	20, 971, 551	18, 050, 000	5, 000, 000	616, 857
Berkeley	16, 790, 426	15, 862, 966	11, 410, 000	5, 000, 000	----------
Spokane	16, 960, 209	14, 273, 027	11, 320, 000	5, 000, 000	374, 166
Total	153, 686, 055	116, 090, 849	86, 965, 000	[3] 60, 000, 000	4, 585, 552

[1] Debentures held by banks of issue and debentures matured are not included.
[2] Deficit of $622,840.97.
[3] $32,000,000 paid in, and $28,000,000 callable from the United States Treasury.

SECTION OF FINANCIAL AND ECONOMIC RESEARCH

The section which now includes the office of Government Actuary, performs a combined research, editorial, actuarial, and service function for the Treasury, largely in the field of finance. Upon request or on the initiative of the section, studies and investigations in taxation, public debt, and other subjects in or related to the field of public finance are conducted, largely for use within the department.

During the past session of Congress the activities of the section included a large amount of statistical and analytical work in connection with the consideration, in the department and in Congress, of the revenue bill and other legislation, and the provision of special information for Members of Congress.

As in the past, the Annual Report of the Secretary of the Treasury was edited and in part prepared by the section, under the general supervision of the Under Secretary; the section also participated in the preparation and editing of Statistics of Income for 1930, and of other Treasury publications.

The monthly publication of daily yields of Government bonds and notes, and the monthly estimate of the population of the United States (appearing on the Circulation Statement of United States Money) were continued.

Service on various governmental committees was performed by members of the section, including the service of the Government Actuary on the Board of Government Actuaries in connection with the civil service retirement law.

GENERAL SUPPLY COMMITTEE

The following table shows the value of the purchases reported by the various Government departments and establishments under contracts negotiated by the Secretary of the Treasury through the General Supply Committee during the fiscal years 1923 to 1932.

Value of purchases reported by executive departments under contracts negotiated by the Secretary of the Treasury through the General Supply Committee for the fiscal years 1923 to 1932

Year	Value	Year	Value
1923	$6, 223, 961. 89	1928	$8, 835, 799. 40
1924	6, 498, 619. 23	1929	9, 299, 289. 41
1925	6, 645, 195. 64	1930	11, 869, 481. 51
1926	6, 725, 600. 35	1931	13, 678, 195. 22
1927	7, 506, 923. 41	1932	10, 178, 290. 33

During the fiscal year 1932, 2,483 bids were received and in connection therewith, 25,740 samples. There were 1,443 contracts entered into involving 26,871 items.

A summary of the surplus property transactions during the fiscal year follows:

Statement of the surplus property accountability for the fiscal year 1932

Stores on hand July 1, 1931		$63, 119. 92	
Appraised valuation of receipts during the fiscal year 1932		42, 740. 22	
			$105, 860. 14
Revenue:			
Serviceable property—			
Issued to—			
Executive departments	$6, 970. 81		
Independent establishments	6, 187. 14		
District of Columbia	1, 363. 48		
	14, 521. 46		
Discount on purchases of above	4, 840. 48		
	19, 361. 94		
Unserviceable property—public sales—			
Auction	13, 629. 86		
Contract	63, 380. 07		
	77, 009. 93		
		96, 371. 87	
Stores on hand June 30, 1932		9, 488. 27	
			105, 860. 14

Under the provisions of the act of February 27, 1929 (45 Stat., 1341) and the act of March 26, 1930 (Public, No. 78, 71st Cong.), the General Supply Committee is authorized and directed to purchase or procure and distribute supplies to meet the consolidated requirements of the executive departments and independent establishments of the Federal Government in Washington, D. C., of the municipal government of the District of Columbia, and of the field services when request is made by the head thereof. These supplies are paid for by the General Supply Committee out of a revolving fund and collections therefor are made from the departments and deposited in the general supply fund.

Statement of the assets, liabilities, and operating expenses of the general supply fund for the fiscal year 1932

Inventory as of July 1, 1931	$3, 118. 04	
Purchases during the fiscal year 1932	1, 175, 017. 68	
		$1, 178, 135. 72
Inspection and breakage	243. 37	
Returned purchases	70. 10	
Cost of goods sold	1, 175, 906. 25	
		1, 176, 219. 72
Inventory as of June 30, 1932		1, 916. 00
Revenue:		
5 per cent surcharge for local delivery		31, 931. 06
1 per cent surcharge for field delivery		5, 659. 74
Purchase discount		4, 027. 19
Total		41, 617. 99

General supply fund balance sheet as of June 30, 1932

Assets:		
Treasury cash	$308, 148. 75	
Disbursing officer's cash	6, 361. 06	
		$314, 509. 81
Accounts receivable		61, 537. 63
Invoice receivable		34, 032. 00
Inventory stores		1, 893. 13
Total assets		411, 972. 57
Liabilities and capital:		
Invoices payable	22, 420. 79	
Unpaid audited vouchers	3, 944. 41	
Surplus fiscal year 1931	43, 989. 38	
Surplus fiscal year 1932	41, 617. 99	
		111, 972. 57
Unencumbered capital	259, 694. 86	
Unliquidated capital	24, 613. 32	
Capital reimbursable	15, 691. 82	
		300, 000. 00
Total liabilities and capital		411, 972. 57

BUREAU OF INDUSTRIAL ALCOHOL

Technical activities

The technical division conducts the chemical work of the Bureau of Industrial Alcohol as well as the work of this character for the Bureau of Prohibition in the Department of Justice, Bureau of Narcotics, and the Bureau of Internal Revenue. It supervises generally the activities of the chemical laboratories of the Bureau of Industrial Alcohol in the field. It also has supervision of work relating to the provisions of Title III of the national prohibition act and regulations issued pursuant thereto, and conducts work relating to the permissive use of intoxicating liquors under Title II of the national prohibition act. Certain features of the general internal revenue laws relating to bonded warehouses and other miscellaneous items are also administered. This division is also charged with the work in connection with the concentration of distilled spirits in accordance with the provisions of the act of February 17, 1922

The following table shows the number of each class of permits, issued under the national prohibition act, in force on June 30, 1931 and 1932.

Class of permit	June 30, 1931	June 30, 1932
A. Permits to manufacture, bonded warehouses, and free warehouses	401	315
B. Permits, wholesale druggists	255	254
C. Permits to transfer	475	478
D. Permits to import and use	15	17
E. Permits to import and sell	41	36
F. Permits to export alcohol only to places other than Canada, Mexico, West Indies, and other near-by islands	14	12
G. Permits to export alcohol to Canada, Mexico, West Indies, and other near-by islands and other liquors to any destination	65	61
H. Permits to use intoxicating liquors in the manufacture of preparations unfit for beverage use and for experimental purposes	22,541	21,893
I. Permits to use and sell	19,675	19,868
J. Permits for physicians to prescribe and use	87,623	80,174
K. Permits to manufacture vinegar and procure intoxicating liquor for conversion into same	441	452
L. Permits to operate dealcoholizing plants	180	162
N. Permits to procure medicated alcohol in quantities exceeding 1 pint	6	6
P. Permits to receive and possess for storage in bond and sell from concentration	62	53
Q. Permits, hospitals	2,829	2,873
R. Permits to produce mash for the purpose of producing yeast, after which residue is to be destroyed	7	8
S. Permits to procure wine for ritualistic purposes	94	95
T. Permits to dentists, veterinarians, optometrists, osteopaths, chiropractors, chiropodists, spineologists, to use alcohol, and to dentists to administer liquor	33,472	48,817
Special permits, cases not covered by above classes	86	93
To operate industrial alcohol plants	50	40
To operate industrial alcohol bonded warehouses	68	65
To operate denaturing plants	51	44
To bonded dealers in specially denatured alcohol	69	59
To manufacturers to use specially denatured alcohol	3,835	3,995
Tax-free alcohol	5,525	5,693
Total	177,883	185,863

While basic permits are issued by the various field offices, all formulæ involving the use of any tax-paid intoxicating liquor are examined in this division, and recommendation made to the supervisors of permits regarding the issuance of permits authorizing the procurement and use of these liquors in the preparation of the articles designated. The character of the formulæ examined is greatly varied, but the larger portion consists of three general classifications: Medicinal, culinary, and sirups in which are incorporated intoxicating

liquors. The recommendation regarding the manufacture of these products involves also the examination of labels under which they are to be distributed and related advertising matter, in order to insure compliance with the regulations interpreting Title II of the national prohibition act.

In all cases where authority is granted for the importation of wine, whether for medicinal or sacramental use, the specific requests, with supporting evidence, are passed upon in this division. The monthly reports of receipt and distribution of these wines are reviewed and audited here.

In order to insure uniform control over preparations in which tax-paid intoxicating liquors are used it has been deemed necessary to centralize all inquiries of a technical nature, and this duty is assigned the nonbeverage section, together with general inquiries relating to procedure, policy, and special processes.

Nineteen field laboratories have been established to expedite and facilitate the local enforcement and permissive work. The work of the field laboratories has increased both in the number of samples examined and in the importance of the character of the chemical work. During the past fiscal year 162,378 samples were examined in the field laboratories, an increase of approximately 30,000 samples over the number received and examined during the fiscal year 1931. This is the largest increase in the number of samples handled in the branch laboratories for several years.

The formulæ for all preparations and processes using pure or denatured alcohol are submitted to the Technical Division in Washington for review and approval before permits are issued by the supervisor for the withdrawal of alcohol. The policy of exercising extreme care in approving preparations manufactured with specially denatured alcohol has reduced to a minimum the illegal distillation of alcoholic preparations to obtain potable alcohol for illegal purposes. The use of calol ethatate, a denaturant for ethyl acetate, developed by the Technical Division over two years ago has effectually prevented the diversion of ethyl acetate for illegal purposes. Extensive research work is now being carried on for the purpose of developing medicaments for bay rum, rubbing-alcohol compounds, and similar preparations to prevent their beverage use by a small class who make a practice of drinking these preparations. The bureau is receiving the assistance and cooperation of the trade on this problem.

The modification of the formulæ for specially denatured alcohol, which is of greatest importance to both industry and the enforcement of the national prohibition act, is the subject of continued study in the Washington laboratory. Research work is being conducted with the hope of further strengthening the specially denatured alcohol formulæ with the view not only of safeguarding the alcohol from diversion but also of providing legitimate industry with denatured alcohol better adapted to its needs.

Completely denatured alcohol formula No. 5 was revised and two new completely denatured alcohol formulæ, Nos. 5–A and 10, were authorized by the bureau, effective July 1, 1932. The revision of completely denatured alcohol formula No. 5 involved the substitution of calorite for alcotate, one of the denaturants used in this formula. This revision was necessary because the disagreeable and nauseating odor of alcotate interfered with the use of completely denatured alcohol

formula No. 5 for antifreeze purposes. Calorite, a petroleum product, was developed after considerable research with the cooperation of the producers. While it imparts less odor to the denatured alcohol, it has a more disagreeable taste than alcotate and makes the alcohol more nonpotable than alcotate. Completely denatured alcohol formula No. 5-A, containing less hydrocarbons than completely denatured alcohol formula No. 5, was authorized for the trade which desired denatured alcohol containing less hydrocarbons. A new denaturant, pontol, was developed and also added to this formula. Pontol consists principally of a mixture of primary and secondary aliphatic higher iso alcohols of characteristic odor and taste. It is a synthetic product which renders alcohol nonpotable and can not be removed by any practical physical or chemical process.

Completely denatured alcohol formula No. 10 was developed and authorized as a solvent formula. A new denaturant called teesol was developed for this formula as a result of extensive research by the Technical Division and the producers. It is a product free from wood alcohol, containing a definite proportion of pyroligneous bodies produced by the destructive distillation of wood. This denaturant used in connection with pontol, denaturing grade isopropyl alcohol, and aviation gasoline produces a formula that contains no hydrocarbons and can be used for cutting shellac and other solvent purposes where hydrocarbons are objectionable. This formula supplies the demand in the legitimate trade for a solvent formula that has existed for several years.

The chemists in the Washington and field laboratories spent 3,320 days in attending court proceedings and revocation hearings, while 290 days were spent in special investigations and inspections where technical knowledge was essential. They are being used more and more by administrative officers for investigating and inspecting permittees where technical knowledge is valuable. This policy of using the technically trained men of the bureau in this manner has been one of the factors in reducing the quantity of industrial alcohol diverted to beverage purposes and has prevented the issuance of permits to applicants who were not qualified to carry on chemical or technical operations. Practically the entire time of one chemist in the Washington laboratory is occupied as liaison officer between the bureau and the trade using industrial alcohol, so that the permissive features of Title III can be administered in a manner that will not hamper legitimate industry.

The Washington laboratory examines very few enforcement samples and devotes practically its entire time to research work and technical matters involving the denaturization of alcohol and the study of preparations and processes involving the use of alcohol which are submitted for approval.

Review of production data

The policy of limiting the production of industrial alcohol to the actual needs of legitimate industry, initiated January 1, 1928, is still being followed and continues to be successful. Each industrial alcohol plant is allotted a fixed quota of the total alcohol to be produced with a provision that only 40 per cent of the total quota for the year could be produced during the first six months of the calendar year, provided legitimate industries do not require an excess of that quan-

tity. Due largely to the business depression very few companies have manufactured during the present fiscal year their full quota of alcohol, with the exception of those where alcohol is a by-product.

In the following statement comparison is made of the production and withdrawals of alcohol, denatured alcohol, other distilled spirits, and wines during the fiscal years 1931 and 1932, together with other related information:

Comparative figures pertaining to the production of alcohol, denatured alcohol, other distilled spirits, and wines during the fiscal years 1931 and 1932

	1931	1932	Increase (+) or decrease (−)
Alcohol produced (proof gallons)	166, 011, 346. 15	146, 950, 912. 76	−19, 063, 433. 39
Alcohol withdrawn, tax paid (proof gallons)	7, 398, 519. 51	6, 149, 767. 42	−1, 248, 752. 12
Total alcohol withdrawn tax free (proof gallons)	152, 172, 186. 27	135, 554, 158. 07	−16, 618, 028. 20
Alcohol withdrawn tax free for denaturation (proof gallons)	149, 303, 438. 59	132, 578, 234. 75	−16, 725, 203. 84
Completely denatured alcohol produced (wine gallons)	49, 136, 200. 64	34, 298, 235. 54	−14, 837, 965. 10
Specially denatured alcohol produced (wine gallons)	37, 172, 740. 71	44, 031, 281. 80	+6, 858, 541. 09
Cereal beverages produced (gallons)	97, 243, 528. 00	85, 741, 598. 00	−11, 501, 930. 00
Distilled spirits other than alcohol withdrawn tax paid (proof gallons)	1, 262, 932. 90	998, 957. 20	−263, 975. 70
Rum produced for denaturation and exportation (proof gallons)	1, 070, 719. 20	1, 059, 068. 20	−11, 651. 00
Taxes collected on wines	$228, 495. 06	$186, 563. 29	−$41, 931. 77
Wineries and wine storerooms operated	397	319	−78
Wine produced (gallons)	6, 658, 854. 00	5, 210, 453. 71	−1, 448, 400. 29

The decrease in the quantity of alcohol produced and completely denatured during the year is attributable, principally, to the business depression, to the policy of the bureau of limiting production to the actual needs of industry, and to the use of a smaller quantity of completely denatured alcohol as an antifreeze in automobile radiators during the past winter, as well as to the fact that a number of manufacturers formerly using completely denatured alcohol changed to specially denatured alcohol, the latter being better suited to their requirements. The increase in the quantity of specially denatured alcohol produced during the year is largely due to the new and increasing use of such alcohol in the manufacture of special proprietary solvents for general solvent purposes.

The manufacture of synthetic ethyl alcohol from ethylene gas has been firmly established on a commercial basis and is now a recognized source of industrial alcohol on a large scale. Over 14,000,000 gallons of alcohol were produced during the year by this method.

During the fiscal year 1932 four distillery warehouses were established. Two of these were established at distilleries for the storage of new whisky and two were established at fruit distilleries for the temporary storage of brandy. At present there are 20 concentration warehouses containing 14,480,929.3 gallons of distilled spirits, original gauge. There are eight distillery warehouses and two general bonded warehouses containing 2,935,604.5 taxable gallons of distilled spirits, which have not as yet been concentrated, owing to the fact that the security, storage, and bottling facilities are adequate; and as most of them are contiguous to a distillery, industrial alcohol plant, or industrial alcohol bonded warehouse where Government offices are maintained, no additional expense for supervision is incurred by the Government.

Six distilleries were operated during the year in the production of 1,711,028.5 taxable gallons of medicinal whisky, a decrease of 724,602.9 gallons from the production of such spirits during the previous year.

Twenty-one fruit distilleries were operated in the production of brandy, wine spirits, and high-proof fruit spirits, producing a total of 630,786.5 taxable gallons of such spirits, of which 99,852.7 taxable gallons of brandy were produced for medicinal and general nonbeverage purposes and 530,933.8 taxable gallons of brandy, wine spirits, and high-proof fruit spirits were produced for the fortification of wines and for nonbeverage purposes authorized under the tariff act of 1930. This latter amount is a decrease of 188,755.7 taxable gallons under the production for similar purposes during the previous year.

The decrease in production of wine is attributable to conditions within the grape and wine industry, the general depression that prevailed during the year, and somewhat heavy production in the preceding year.

Public relations and dissemination of information

The public relations and information section continued its work of disseminating a broad range of information relating to industrial alcohol and nonbeverage liquors. Considerable printed material was prepared for the purpose of promoting better understanding by the public of matters relating to administration of laws governing uses of alcohol and nonbeverage liquors.

The demand for these publications was evidenced particularly in the chemical manufacturing industries and in allied industrial lines of activity. Much factual and statistical material was prepared in response to requests for specific information of a technical character. Many of these requests came from Senators, Congressmen, and representatives of industry. Special material along different lines also was prepared in response to requests for authentic technical data for use in the press and in technical magazines.

Research work relating to expanding uses of alcohol in the manufacture of essential commercial products, the collection of authentic research data relating to world alcohol production trends, and the preparation of an historical review of the problem of denaturation over a period of 26 years since the enactment of the tax-free denatured alcohol act were important phases of the work of the section.

Administration

Each of the 12 administrative districts was examined one or more times during the year and numerous improvements in operation were made and some notable economies effected.

A definite program was adopted by the Bureau of Industrial Alcohol at the beginning of the year for the purpose of coordinating ideas looking toward improving administrative procedure in the field. A questionnaire manual was issued to the field inspection staff to assist them in standardizing procedure in the various divisions of each district or branch office, and during the year was revised on the basis of experience and expanded to cover practically all operations in

district and branch offices, establishing uniform, economical practice throughout the field. Work was continued on the series of permit inspection manuals describing the technical operations of production and manufacturing plants and proper methods of inspection for the instruction of permit inspectors in the field.

At the close of the first half of the year it became increasingly evident that one of the most difficult problems that the field inspection staff had to cope with was improvement in the management of permit inspection forces in the field. Two conferences of chief inspectors were held during the spring of this year, one in New York and the other in Kansas City, Mo., and a definite system of managing inspection forces was agreed upon for the instruction and guidance of all officers supervising permit inspectors. As a result, procedure has been greatly simplified and marked economy of operation effected.

The Law Division of the bureau, at the head of which is the chief counsel, performs the legal work of the bureau. It coordinates the field legal work and advises the field legal offices.

Field attorneys aid and assist United States attorneys in preparing pleadings in appeal cases, and, in some instances, prepare all the pleadings and argue the cases in court. In all cases of appeal from the District Courts to the Circuit Courts of Appeals, or from the Circuit Courts of Appeals to the United States Supreme Court, field attorneys prepare and forward to the bureau copies of all records and pleadings in each case, and the bureau attorneys review and examine the cases and prepare a summary of the law and facts for presentation to the Department of Justice, together with the recommendation of the bureau as to whether such cases should be appealed. Thereafter the bureau cooperates with the Department of Justice in the preparation and prosecution of such cases on appeal.

Personnel

At the close of the fiscal year there were 150 permanent employees at Washington and 1,520 permanent employees in the field service, making a total of 1,670. At the end of the previous year there were 153 permanent employees at Washington and 1,565 in the field service, a total of 1,718. During the year vacancies were left unfilled wherever it was possible to do so without actual detriment to the conduct of business. Of the 32 employees who were serving as inspectors in a temporary status, approximately one-third failed to qualify in the civil service examination for probational appointment and it was necessary to drop their names from the rolls. Thirteen other employees were separated from the service in accordance with the provisions of the economy act of June 30, 1932, prohibiting the retention of employees who have reached the retirement age prescribed for automatic separation from the service.

BUREAU OF INTERNAL REVENUE

General

Internal revenue receipts.—Receipts from internal revenue taxes during the fiscal years 1931 and 1932 were as follows:

Summary of internal revenue receipts for the fiscal years 1931 and 1932

[On basis of reports of collections, see p. 338]

Sources	1931	1932	Decrease (−) or increase (+)
Income taxes:			
Corporation [1]	$1,026,392,699.02	$629,566,115.55	−$396,826,583.47
Individual	833,617,798.37	427,190,581.99	−406,457,216.38
Total	1,860,010,497.39	1,056,756,697.54	−803,283,799.85
Miscellaneous internal revenue:			
Estates of decedents	48,078,326.89	47,422,313.00	−656,013.89
Tobacco manufactures, etc	444,276,502.62	398,578,618.56	−45,697,884.06
Other miscellaneous taxes [2]	75,227,812.00	54,449,096.40	−20,778,715.60
Receipts under national prohibition laws	586,149.68	490,773.26	−95,376.42
Collected through customs offices	6,317.21	17,066.70	+10,749.49
Miscellaneous receipts	13,148.43	14,477.18	+1,328.75
Total	568,188,256.83	500,972,345.10	−67,215,911.73
Grand total	2,428,228,754.22	1,557,729,042.64	−870,499,711.58

[1] Includes income tax on Alaska railroads (act of July 18, 1914) amounting to $11,311.92 for 1931 and $7,614.31 for 1932.
[2] Includes $147,052.47 for 1931 and $79,025.51 for 1932, delinquent taxes collected under repealed laws.

In this summary tax receipts are classified according to the administrative organization for the audit of returns, i. e., the Income Tax Unit, the Estate Tax Division, the Tobacco Division, and the Sales Tax Division. A statement of collections by taxes in detail appears in Table 8, page 375.

Refunds.—In the foregoing statement of receipts no deductions have been made on account of refunds, which during the fiscal year 1932 were paid from the several appropriations as follows:

Refunding taxes illegally collected, 1930 and prior years	$1,396.97
Refunding taxes illegally collected, 1931 and prior years	79,187,092.80
Refunding taxes illegally collected, 1932 and prior years	1,395,014.34
Total	80,583,504.11

In addition to the above amount there were certain repayments as provided under specific appropriations which were not refunds of taxes erroneously paid under our present internal revenue laws. The redemption of stamps represents the return to the Government of stamps purchased by the taxpayer in excess of his requirements. The stamps so redeemed during the fiscal year, including interest, totaled $2,918,711.83. Repayments under the appropriation act "Refunding legacy taxes, act of March 30, 1928," totaling $726.24, relate to claims under repealed tax laws, the interpretation of which has been changed by court decision.

Number of claims, amount refunded, and interest allowed on each class of tax during the fiscal year 1932

Appropriation and class of tax	Claims	Amount refunded [1]	Interest allowed
"Refunding taxes illegally collected," for the fiscal year 1930 and prior years, 1931 and prior years, and 1932 and prior years:			
Income taxes	128, 133	$72, 112, 874. 21	$17, 726, 680. 71
Miscellaneous internal revenue—			
Estate	1, 987	7, 164, 611. 43	1, 080, 946. 54
Tobacco	17	1, 819. 84	27. 38
Capital stock	53	506, 656. 57	136, 730. 27
Sales	1, 370	689, 062. 75	113, 128. 75
Spirits and narcotics	370	10, 674. 70	141. 98
Miscellaneous	125	97, 804. 61	6, 075. 26
Total	132, 055	80, 583, 504. 11	19, 063, 730. 89
Repayments (not refunds) of taxes erroneously collected:			
Redemption of stamps—			
Tobacco	712	399, 450. 82	
Spirits and narcotics	147	2, 228. 84	60. 54
Miscellaneous	2, 501	2, 517, 032. 17	329, 221. 96
Total	3, 360	2, 918, 711. 83	329, 282. 50
Refunding legacy taxes, act of Mar. 30, 1928	2	726. 24	

[1] Including interest.

If the tax refunds during the year on account of erroneous or illegal collections for 1932 and prior years, amounting to $80,583,504.11, were deducted from the gross collections of $1,557,729,042.64, the net collections for the fiscal year would be $1,477,145,538.53. The gross collections, however, are used for comparative purposes in this report.

Additional assessments.—The additional assessments resulting from office audits and field investigations, which amounted to $332,363,-707.61, were as follows:

Additional assessments made during the fiscal year 1932, by class of tax

Class of tax	Amount
Income taxes	[1] $309, 275, 000. 42
Miscellaneous internal revenue:	
Estate	17, 958, 393. 87
Tobacco	65, 944. 85
Gift	175, 230. 29
Capital stock	31, 789. 25
Sales	539, 437. 86
Miscellaneous	4, 317, 911. 07
Total	[2] 23, 088, 707. 19
Grand total	332, 363, 707. 61

[1] Includes for income taxes, $269,494,610.42 from the Income Tax Unit and $39,780,390 from the Accounts and Collections Unit. The assessments of the Income Tax Unit include $50,973,391.84 made under the jeopardy provisions of secs. 279 and 280 of the revenue act of 1926 and sec. 273 of the revenue act of 1928.
[2] Includes for miscellaneous internal revenue, $3,819,138 from the Accounts and Collections Unit; and $19,269,269.19 from the Miscellaneous Tax Unit.

Cost of administration.—The amount expended and obligated in administering the internal revenue tax laws for the fiscal year 1932 was $33,870,903.62. This does not include the amount expended for refunding taxes illegally or erroneously collected, which is in no sense an administrative expense. The aggregate receipts of internal revenue were $1,557,729,042.64, which makes the cost of operation for the fiscal year 1932, $2.17 for each $100 collected as compared with $1.40 for the fiscal year 1931, when the receipts were nearly $870,-500,000 greater.

Income Tax Unit

The Income Tax Unit has charge of the auditing and closing of all income tax returns except certain returns of small incomes for which the auditing problems are not difficult. The latter are settled in the collectors' offices under the administration of the Accounts and Collections Unit. For its work, the Income Tax Unit has an organization of auditors in Washington and a field force throughout the country.

Returns audited and closed.—The number of returns audited and closed by the Income Tax Unit during the fiscal year 1932 is summarized in the following table:

Summary of work of the Income Tax Unit for the fiscal years 1931 and 1932

	Number	
	1931	1932
Returns on hand in Washington and in the field at beginning of year [1]	221, 893	361, 700
Returns received during year:		
Reopened and new	73, 475	131, 795
Original	3, 217, 738	2, 228, 510
Total	3, 291, 213	2, 360, 305
Total to be disposed of	3, 513, 106	2, 725, 005
Returns closed during year: [2]		
Additional assessments, except jeopardy—		
Before 60-day deficiency notice	111, 403	132, 936
After 60-day deficiency notice [3]—		
Agreement	6, 153	4, 941
Default	13, 291	10, 638
Total	130, 847	148, 515
Jeopardy assessments	2, 125	2, 122
Certificate of overassessment	57, 435	79, 025
No change	2, 944, 581	2, 230, 391
Total closed	3, 134, 988	2, 460, 056
Returns not closed during year:		
Reopened or on hand for audit in Washington and field at end of year	364, 700	254, 771
Awaiting action of taxpayer after the sending of 60-day deficiency notice	1, 998	2, 397
Involved in appeals to board during year on 60-day deficiency notice sent during year [4]	11, 420	7, 781
Total not closed	378, 118	264, 949

[1] This total does not include returns with respect to which 60-day deficiency notices were sent prior to the beginning of the year.
[2] Excludes returns closed through decision of Board of Tax Appeals.
[3] Includes some returns with respect to which 60-day deficiency notices were sent prior to the beginning of the year.
[4] These figures do not agree with the number of returns with respect to which appeals were taken during the year since many of such appeals were from determinations set forth in 60-day deficiency notices sent prior to the beginning of the year. The number of the latter returns with respect to which appeals were taken were 12,158 and 8,575 for 1931 and 1932, respectively.

At the beginning of the fiscal year 1932 there were 364,700 returns on hand in the unit. During the year the unit received 2,360,305 returns. Of the total received, 2,228,510 were original returns filed covering the taxable years 1930 and 1931, and 131,795 were reopened and new returns for the taxable years prior to 1930.

There was a substantial increase over the preceding year in the number of cases reopened. This resulted in large part from final court decisions which made it possible for the bureau to close, among other cases, those of the Osage Indians and of taxpayers residing in States having community property laws.

The total number of returns before the unit for consideration during the fiscal year was 2,725,005. The unit closed 2,460,056 returns, without an appeal having been taken to the Board of Tax Appeals. In addition, there were also closed during the year 6,379 returns after action by the Board of Tax Appeals on appeals pending, making a total number of 2,466,435 returns closed. The total included 1,947,411 individual and partnership and 519,024 corporation returns.

Additional revenue.—The total additional revenue made available for collection (exclusive of jeopardy assessments) was $218,521,218.58, as compared with $242,893,237.91 the previous fiscal year, a decrease of $24,372,019.33. The field forces of the Income Tax Unit secured agreements to the immediate assessment and collection of $32,364,500.22, while $186,156,718.36 was assessed after consideration in Washington.

The additional revenues are classified in the following table to show the amounts involved as additional tax, penalty, and interest, and also the procedure involved in reaching a settlement with the taxpayers.

Additional revenue made available for collection during the fiscal years 1931 and 1932, classified according to the tax, interest, and penalty, and the agreement procedure involved

	1931		1932	
	Amount	Per cent	Amount	Per cent
Tax, interest, and penalty:				
Tax	$197,798,730.90	81.5	$173,809,724.07	79.5
Interest	37,488,328.48	15.4	36,150,696.87	16.5
Penalty	3,443,464.39	1.4	1,687,848.30	.8
Total	238,730,523.77	98.3	211,648,269.24	96.8
Rejected claims for abatement and credit	4,162,714.14	1.7	6,872,949.34	3.2
Total additional revenue	242,893,237.91	100.0	218,521,218.58	100.0
Procedure involved in settlement:				
Mimeograph 3552 [1]	41,002,633.22	17.2	32,364,500.22	15.3
Regular procedure—				
Agreements executed by taxpayer without 60-day letters	71,624,534.22	30.0	74,870,038.36	35.4
Agreements executed by taxpayer and filed subsequent to 60-day letters	31,267,359.72	13.1	17,077,637.17	8.1
Appeals not filed within 60-day period	43,520,692.78	18.2	28,017,011.78	13.2
Action of Board of Tax Appeals	51,315,303.83	21.5	59,319,051.71	28.0
Total	238,730,523.77	100.0	211,648,269.24	100.0

[1] The effect of mimeograph 3552 is to shorten the interest period when the additional tax is agreed to by taxpayer and field force. The above figures cover assessments made during the periods May 1, 1930, to May 31, 1931, and June 1, 1931, to May 31, 1932.

In addition to the amount of revenue thus made available, additional taxes were also assessed under the jeopardy provisions of the several revenue acts, as follows:

Additional revenue assessed under the jeopardy provisions of revenue acts during the fiscal years 1931 and 1932

	1931	1932
Under bankruptcy and dissolution procedure	$22,611,283.87	$23,458,811.50
Returns believed to be fraudulently rendered	13,664,648.49	15,167,409.93
Total assessed	36,275,932.36	38,626,221.43
Interest	6,608,210.31	7,352,963.52
Penalties	7,541,351.01	4,994,206.89
Grand total	50,425,493.68	50,973,391.84

Final notices of deficiency (60-day letters).—During the year 22,456 final notices of deficiency (60-day letters) were mailed by the Income Tax Unit, as compared with 26,670 for the previous fiscal period.

Petitions were filed with the Board of Tax Appeals involving 34 per cent of the returns with respect to which 60-day letters had been issued. This compares with 35 per cent during the fiscal year 1931.

The following table shows the number of tax years involved in petitions filed with the Board of Tax Appeals during the fiscal years 1929 to 1932, inclusive:

Number of tax years involved in petitions filed with the Board of Tax Appeals during the fiscal years 1929 to 1932, by tax years

Tax year	1929	1930	1931	1932	Tax year	1929	1930	1931	1932
1917	62	16	30	18	1926	1,947	2,054	1,288	246
1918	89	47	38	28	1927	348	1,233	3,161	849
1919	118	67	50	28	1928	13	211	5,643	1,493
1920	198	99	127	86	1929		5	378	5,107
1921	166	67	86	29	1930			5	269
1922	265	79	105	82	1931			1	4
1923	579	159	174	66	1932				1
1924	1,845	679	452	108					
1925	2,514	1,094	617	161	Total	8,144	5,810	12,158	8,575

Claims and overassessments.—The following table shows the number of refund claims adjusted and the certificates of overassessment issued, together with the amounts of overassessments involved during the fiscal years 1931 and 1932:

Refund claims adjusted and overassessments determined during the fiscal years 1931 and 1932

	1931	1932
Claims:	*Number*	*Number*
Pending at beginning of year	12,812	23,879
Filed during year	42,219	47,666
Total to be adjusted	55,031	71,545
Allowed in full or in part	21,147	31,529
Rejected	10,005	15,970
Total adjusted	31,152	47,499
Pending at end of year	23,879	24,046
Certificates of overassessment issued when no claim had been filed	43,904	52,379
Amount of overassessments determined on all claims settled by:	*Amount*	*Amount*
Abatement	$100,187,067.04	$111,520,556.49
Credit	23,717,559.31	24,932,127.16
Refund	46,690,550.30	54,386,193.50
Total	170,595,176.65	190,838,877.15
Interest	16,437,404.91	17,726,680.71
Grand total	187,032,581.56	208,565,557.86

NOTE.—The amount involved in claims filed during the year was $265,479,501.06, as compared with $293,825,780.64 the preceding year. Of the claims adjusted during the year, the amounts rejected total $418,238,438.95, as compared with $207,611,943.68 the preceding year.

There were also allowed during the year, 8,822 collectors' claims, of which 7,519 recommended abatements or credits and 1,303 recommended refunds. A collector's claim usually lists a number of

items in favor of different taxpayers and those settled during the year covered 8,892 items for abatement or credit and 69,499 for refund.

Returns on hand.—A comparative table of returns for all tax years on hand at the close of each of the past four fiscal years follows:

Returns on hand on June 30, 1929 to 1932, by tax years

Tax year	1929	1930	1931	1932	Tax year	1929	1930	1931	1932
1917	185	147	142	150	1926	17,104	5,814	1,630	1,101
1918	232	222	180	207	1927	122,286	18,529	5,061	3,713
1919	299	270	174	251	1928	[1] 115,522	166,800	10,172	4,380
1920	400	367	298	275	1929		[1] 23,835	237,868	10,496
1921	409	305	249	261	1930			[1] 106,491	209,921
1922	575	466	276	307	1931				[1] 22,142
1923	1,111	754	423	373					
1924	5,019	1,828	735	517	Total	270,447	221,893	364,700	254,771
1925	7,305	2,556	1,001	677					

[1] Figures are incomplete, since the preliminary work against the returns for the year just previous to the end of the fiscal year can not be completed within that fiscal year.

Audit in Washington.—The following table presents an analysis of the returns, original and reopened, pending in the several divisions and sections of the Washington office:

Original and reopened returns under consideration in Washington, June 30, 1932, by tax years

Tax year	Audit Review Division						Valuation Division		Special Adjustment Section	Total	
	Individual returns		Corporation returns		Consolidated returns						
	Original	Reopened	Original	Reopened	Original	Reopened	Original	Reopened	Reopened	Original	Reopened
1917		31		12		41		27	20		131
1918		76		11	4	48		31	30	4	196
1919		105		19	4	47		31	35	4	237
1920		99		22	4	60		35	41	4	260
1921		110		14	2	36		28	60	2	248
Total		421		78	14	232		152	189	14	1,072
1922		108		17	13	36	2	23	92	15	276
1923		124		18	11	38	4	22	127	18	329
1924	2	135		33	31	58	29	41	151	62	418
1925	2	189	1	51	34	63	37	32	206	74	541
1926	8	315	2	58	65	109	46	78	273	121	833
1927	42	2,409	9	138	98	193	77	66	370	226	3,176
1928	169	2,131	17	278	156	334	95	97	525	437	3,365
Total	223	5,411	29	593	411	831	290	359	1,744	953	8,938
1929	2,887	2,545	418	435	741	316	332	177	690	4,378	4,163
1930	11,165	537	1,676	152	1,488	61	1,111	7	401	15,740	1,158
Total	14,352	3,082	2,094	587	2,229	377	1,443	184	1,091	20,118	5,321
Grand total	14,575	8,914	2,123	1,258	2,654	1,440	1,733	695	3,024	21,085	15,331

Audit in the field.—On June 30, 1932, there were 179,718 returns for 1930 and prior years pending for verification in the offices of the 38 field divisions of the Income Tax Unit, compared with 204,014 returns for 1929 and prior years on hand, June 30, 1931.

Changes in tax liability were recommended by the field forces in 150,418 returns, or 32.7 per cent of the 460,624 returns disposed of by the field during the year. On 114,555 returns, or 76.2 per cent of those changed, taxpayers agreed with revenue agents' conclusions. The total additional tax recommended by revenue agents during the fiscal year was $275,942,496.80, compared with $295,338,223.99 the preceding fiscal year.

Special Advisory Committee

The Special Advisory Committee was organized to consider cases pending before the bureau, the Board of Tax Appeals, or the courts for the purpose of attempting to reach settlement without litigation. In those cases in which settlement is reached the final responsibility rests with the committee subject to the approval of the commissioner. The work of the committee over a period of approximately five years has demonstrated that the disposition of most problems arising out of tax disputes is and should be a matter of administration rather than of litigation.

Conferences held before the committee are informal. The taxpayer is privileged to present for consideration all data bearing on his case without fear of technical objections, which might arise if the case proceeded to hearing before the board, and it has been found in many cases that such evidence proves a determining factor in reaching a settlement.

During the five years of its existence, the committee has completed its consideration of 35,474 cases, covering 54,011 tax years, in which the proposed deficiency tax amounted to $559,355,807.40. Settlements were effected in 22,489, or 63.39 per cent of these cases. The remaining 12,985 cases were recommended for defense, no basis for settlement having been reached. Further statistics of the committee show that, of the cases included in the latter group and decided by the board to date, the bureau has been sustained in 64.8 per cent of the total proposed deficiencies. Of the remaining 35.2 per cent of the proposed deficiencies which were not affirmed by the board, it is found that the board's decisions in part covered issues not acquiesced in by the commissioner on prior cases and issues raised before the board but not raised before the committee.

Miscellaneous Tax Unit

The Miscellaneous Tax Unit is charged with the administration of all taxes other than income taxes. The unit is composed of three divisions, namely, Estate Tax Division, Sales Tax Division, and Tobacco Division, and an Appeals and Review Section which is attached to the office of the deputy commissioner in charge. A field force under internal revenue agents in charge throughout the country investigates estate and gift tax returns. The gift tax imposed by the revenue act of 1932 will be administered by the Estate Tax Division, as was the former gift tax levied by the revenue act of 1924, as amended. The former Miscellaneous Division was abolished in June and a new division known as the Sales Tax Division was established to administer the new excise taxes imposed by the revenue act of 1932, as well as those taxes for the administration of which the former Miscellaneous Division was responsible. The personnel of the Sales Tax Division was

increased in order to care for the additional work. There was also a slight increase in the personnel of the Estate Tax Division. These increases in force were accomplished by the reassignment of personnel from other units of the bureau.

Estate Tax Division.—Estate tax collections amounted to $47,422,313 for 1932 as compared with $48,178,326.89 for 1931. Collection of a large amount of tax was delayed because of the fact that numerous taxpayers availed themselves of the privilege provided by the law to extend the time for payment of taxes due in 1932.

The administrative work involved in auditing returns during the year is summarized below:

Summary of audit of estate tax returns for the fiscal year 1932

Returns in field:	
On hand at beginning of year	2,916
Received for investigation	8,183
Total to be disposed of	11,099
Major reports submitted by field force	8,981
On hand at end of year	2,118
Returns in bureau:	
Not closed, on hand at beginning of year	[1] 7,443
Received	8,769
Total to be disposed of	16,212
Disposed of	10,689
On hand at end of year	5,523
Protest letters of taxpayers as a result of tax determined by audit:	
On hand at beginning of year	453
Received	1,674
Total to be disposed of	2,127
Disposed of	1,988
On hand at end of year	139
Deficiency tax assessed, including interest	$17,958,393.87

Final agreements in accordance with the provisions of section 606 of the revenue act of 1928 were approved by the Secretary of the Treasury in 402 cases and 309 cases were adjudicated by the Board of Tax Appeals.

Estate tax and gift tax abated or refunded during the year amounted to $115,538,929.01. The gift tax abated or refunded was assessed or collected under the revenue act of 1924, as amended. The cases disposed of and the amounts allowed and rejected during the year are classified by refund and abatement claims in the following table. In a large number of cases, the 80 per cent credit for State inheritance taxes paid, allowed under the revenue act of 1926, is claimed as a refund or an abatement after the estate tax return is filed.

[1] Of this number, 2,916 were under investigation in the field, 1,217 were reported cases awaiting audit in the closing file, and the remaining cases were in a suspense status pending final settlement.

Estate tax and gift tax claims on hand, received, and disposed of during the fiscal year 1932

	Estate tax claims				Gift tax claims			
	Refund		Abatement		Refund		Abatement	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Claims filed:								
On hand July 1, 1931	419	$9, 792, 095. 14	28	$105, 910. 11	5	$108, 139. 38		
Received during year	1, 546	5, 996, 984. 99	3, 389	82, 951, 295. 04	5	68, 614. 11	1	$215. 91
Total to be disposed of	1, 965	15, 789, 080. 13	3, 417	83, 057, 205. 15	10	176, 753. 49	1	215. 91
Allowed	1, 383	5, 023, 906. 92	3, 369	82, 897, 486. 13	5	59, 768. 15		
Rejected	257	4, 409, 263. 65	31	30, 913. 79	4	115, 219. 23	1	215. 91
Total disposed of	1, 640	9, 433, 170. 57	3, 400	82, 928, 399. 92	9	174, 987. 38	1	215. 91
On hand June 30, 1932	325	6, 355, 909. 56	17	128, 805. 23	1	1, 766. 11		
No claims filed, overassessments allowed	598	999, 141. 64	1, 670	26, 554, 163. 59	1	845. 18	2	3, 614. 40
Interest allowed		1, 066, 896. 45				14, 050. 09		
Total amount allowed, including interest		7, 089, 918. 01		109, 451, 649. 72		74, 663. 42		3, 614. 40

Sales Tax Division.—Total collections of taxes under the administration of the Sales Tax Division amounted to $54,450,276.40 for the year, compared with $75,227,812 for 1931. During the fiscal year 1932, miscellaneous taxes were collected under the provisions of the revenue act of 1928, except that documentary and stock transfer stamps, etc., purchased during the last 10 days of June were sold at the rates provided for in the revenue act of 1932 and collections amounting to $1,180 were received in payment of special tax stamps covering the tax imposed by the revenue act of 1932 on the use of certain yachts or boats after July 1, 1932. Other miscellaneous taxes that became effective June 21, 1932, are payable on returns due to be filed on or before the last day of the succeeding month.

The collections from the various taxes for the current and past fiscal years are shown in the following table:

Miscellaneous taxes collected during the fiscal years 1931 and 1932

Source	1931	1932	Increase (+) or decrease (−)
Documentary stamps, including playing cards:			
Bonds of indebtedness, capital stock issues, etc	$14, 757, 383. 38	$9, 198, 539. 57	−$5, 558, 843. 81
Capital stock sales or transfers	25, 519, 972. 75	17, 696, 129. 86	−7, 823, 842. 89
Sales of produce (future delivery)	1, 682, 680. 56	959, 319. 64	−723, 360. 92
Playing cards	4, 993, 559. 50	4, 386, 830. 50	−606, 729. 00
Total	46, 953, 596. 19	32, 240, 819. 57	−14, 712, 776. 62
Oleomargarine stamp and special taxes	2, 681, 428. 29	1, 744, 736. 78	−936, 691. 51
Adulterated and process or renovated butter, filled cheese, and mixed flour	11, 822. 36	8, 837. 00	−2, 985. 36
Admissions to theaters, etc	2, 778, 864. 09	1, 858, 605. 97	−920, 258. 12
Dues and initiation fees	11, 477, 723. 20	9, 204, 587. 01	−2, 273, 136. 16
Pistols and revolvers	137, 921. 37	87, 358. 40	−50, 562. 97
Distilled spirits	10, 432, 061. 49	8, 703, 963. 27	−1, 728, 101. 22
Narcotics	607, 339. 54	521, 162. 86	−86, 176. 68
Yachts and boats (advance collections)		1, 180. 00	+1, 180. 00
Delinquent, under repealed laws	147, 052. 47	79, 025. 51	−68, 026. 96
Total miscellaneous taxes	75, 227, 812. 00	54, 450, 276. 40	−20, 777, 535. 60

The principal decrease, $7,823,842.89, which was in the collections of the tax on capital stock sales or transfers, resulted from the decrease in the volume of trading on the various stock exchanges, and the decrease of $5,558,843.81 in the collections of the taxes on bonds of indebtedness and capital stock issues resulted from a decrease in the issue of capital stock and bonds.

The following table summarizes the work on Sales Tax Division claims:

Claims received and disposed of during the fiscal years 1931 and 1932

	1931	1932
	Number	*Number*
On hand at beginning of year	1,065	1,440
Received or reopened	7,591	10,392
Total to be disposed of	8,656	11,832
Adjusted	7,216	8,549
On hand at end of year	1,440	3,283
	Amount	*Amount*
Claims allowed	$2,762,557.76	$11,861,829.94
Interest included in refunds	262,101.35	585,358.76

The Sales Tax Division performs certain administrative work for the entire unit, relating to amounts approved for assessment lists and offers in compromise. The following paragraphs summarize this work for the fiscal year 1932.

A total of $70,986,114.28, representing 179,346 items, was approved by the commissioner on miscellaneous assessment lists, which embrace assessments of all internal revenue taxes except those administered by the Income Tax Unit. These lists include all assessments, original and additional, of the miscellaneous internal revenue taxes which are not collected by the sale of stamps and the additional assessments on the latter group of taxes. There were included in the lists $19,269,269.19, representing 23,992 additional assessments, resulting from office audit and field investigations, including interest totaling $1,804,978.71.

A small amount of tax liability in connection with sales, tobacco, capital stock, estate, gift, spirits, narcotics, and miscellaneous stamp and special taxes is compromised with the taxpayer. The offers in compromise received and disposed of during the year and the amounts involved are summarized in the following table:

Offers in compromise received and disposed of during the fiscal years 1931 and 1932

	1931		1932	
	Number	Amount	Number	Amount
On hand at beginning of year	2,870	$398,876.09	3,345	$391,290.61
Received during year	15,775	797,838.73	8,002	399,835.05
Total to be disposed of	18,645	1,196,714.82	11,347	791,125.66
Accepted	14,708	715,493.13	9,189	495,277.41
Rejected	540	80,987.50	279	131,221.41
Withdrawn	52	8,943.58	347	48,349.11
Total disposed of	15,300	805,424.21	9,815	674,847.93
On hand at end of year	3,345	391,290.61	1,532	116,277.73

Tobacco Division.—Collections from tobacco taxes amounted to $398,578,618.56 for the year, a decrease of $45,697,884.06 or 10.29 per cent, compared with the previous year. The collections from the taxes on the various manufactures of tobacco for the last two fiscal years are shown in the following table:

Tobacco taxes collected during the fiscal years 1931 and 1932

Source	1931	1932	Increase (+) or decrease (−)	
			Amount	Per cent
Small cigarettes	$358, 915, 187. 84	$317, 533, 080. 02	−$41, 382, 107. 82	−11. 53
Manufactured tobacco	58, 376, 942. 03	58, 030, 155. 75	−346, 786. 28	−. 59
Large cigars	18, 025, 467. 34	14, 207, 679. 50	−3, 817, 787. 84	−21. 18
Snuff	7, 190, 466. 16	6, 846, 301. 69	−344, 164. 47	−4. 79
Cigarette papers and tubes	1, 441, 826. 41	1, 700, 502. 85	+258, 676. 44	+17. 94
Small cigars	270, 644. 10	226, 508. 98	−44, 135. 12	−16. 31
Large cigarettes	45, 815. 64	31, 659. 71	−14, 155. 93	−30. 90
Leaf tobacco sold	10, 153. 10	2, 730. 06	−7, 423. 04	−73. 11
Total	444, 276, 502. 62	398, 578, 618. 56	−45, 697, 884. 06	−10. 29

Appeals and Review Section.—The Appeals and Review Section holds hearings in cases arising under the various tax laws administered by the Miscellaneous Tax Unit, renders on request from the heads of divisions opinions on questions arising in connection with the administration of such tax laws, and reviews the action taken by the divisions on all claims for refund or abatement allowed for amounts in excess of $500. The majority of the hearings are held in connection with estate taxes, although a large number involve the various miscellaneous taxes, such as documentary stamp taxes, excise taxes, and taxes on admissions and dues. During the year the Appeals and Review Section held 424 hearings, prepared 393 formal opinions on cases in which hearings had been held or on which formal opinion had been requested by the heads of divisions, and reviewed 379 claims for refund and abatement and 4,001 estate and gift tax cases resulting in certificates of overassessment. There were 168 memoranda to the commissioner recommending certain changes in 60-day letters routed through this section for approval.

There were 124 cases on hand at the close of the year, of which 50 were held for hearings, 19 awaited further evidence from taxpayers, 4 were held awaiting supplemental reports from the field, 21 awaited reports from the Securities Section, Valuation Division of the bureau, and 30 were under consideration.

Accounts and Collections Unit

The Accounts and Collections Unit, which is the central administrative organization for the 64 collection districts, is divided into three divisions—the Collection Accounting Division; the Collectors' Personnel, Equipment, and Space Division; and the Disbursement Accounting Division.

Collection Accounting Division.—The Collection Accounting Division establishes accounting methods for use in collectors' offices and the procedure for the intensive audit of the smaller individual income tax returns; audits collectors' revenue accounts current and collectors'

special deposit accounts current for offers in compromise, surplus proceeds in distraint sales and sums offered for the purchase of real estate; issues internal revenue stamps; and compiles statistics for officials of the Treasury Department and the public. The activities of the field force of supervisors of accounts and collections and of the force of internal revenue agents on sales and miscellaneous taxes are controlled and directed by this division under the general supervision of the deputy commissioner.

There were filed in collectors' offices during the year 5,069,594 tax returns, compared with 5,626,978 for the previous year, a decrease of 557,384. Of the total tax returns filed in 1932, there were 4,528,335 income tax returns compared with 5,027,739 filed during the previous year, a decrease of 499,404.

There were audited and closed in this unit during the year approximately 1,840,000 income tax returns of individuals on Forms 1040 and 1040-A which showed small income, and 5,380,321 information returns on Form 1099 were verified. Approximately 267,000 returns on Form 1040 for the year 1930 were assigned to collectors' offices for audit. At the end of the year there were 16,495 of these returns remaining on hand in collectors' offices. In connection with this audit work 172,354 income tax returns were investigated.

A total of 8,103,030,260 stamps, valued at $441,150,316.28, was issued to collectors of internal revenue and the Postmaster General, compared with 8,605,729,527 stamps, valued at $496,615,229.65, issued during the year 1931. Stamps returned by collectors and by the Postmaster General amounted to $16,200,288.40, compared with $3,887,385.76 for 1931.

After the appropriate administrative procedure, collectors of internal revenue transmitted to the bureau, or otherwise disposed of, 105,427 claims as compared with 135,071 during 1931, a decrease of 29,644. The number of claims on hand at the close of the fiscal year 1932 was 1,037 compared with 872 at the close of the previous fiscal year.

During the year field deputy collectors made 228,157 revenue-producing investigations in connection with the verification of tax returns, the discovery of delinquent taxpayers and warrants for distraint. The total amount of tax involved in these investigations was $43,599,828, including $32,628,961 collected and $10,970,867 reported for assessment. The amounts involved for the various types of work were:

Additional taxes collected and reported for assessment by collectors' field forces during the fiscal year 1932

	Taxes collected	Taxes reported for assessment
Verification of tax returns	$1,731,348	$4,980,695
Delinquent taxpayers	5,502,431	5,990,172
Warrants for distraint	25,395,182	
Total	32,628,961	10,970,867

There were 48,572 warrants for distraint served by deputy collectors during the year, and on June 30, 1932, there were 21,056 warrants in

the hands of the field forces for collection as compared with 15,352 on June 30, 1931.

Special attention has been given to the discovery of the various classes of delinquent taxes. That this work has been highly productive of revenue is evidenced by the fact that the tax collected and reported for assessment as the result of these investigations during the fiscal year 1932 amounted to $11,492,603.

In addition to the above amounts, the special force of internal revenue agents working under the direction of the Accounts and Collections Unit collected and reported for assessment $927,422.

The supervisors of accounts and collections submitted 117 reports covering their examinations of the accounts of the various collectors' offices compared with 122 reports submitted during 1931. With the exception of two districts, every collector's office was examined at least once and most of them twice during the year.

Collectors' Personnel, Equipment, and Space Division.—The Collectors' Personnel, Equipment, and Space Division is charged with the consideration and granting of allowances to collection districts covering the employment of personnel and miscellaneous operating expenses.

Disbursement Accounting Division.—The Disbursement Accounting Division is charged with the duty of keeping the accounts in connection with expenditures from appropriations made available by Congress for the use of the Internal Revenue Bureau and service. The division is charged also with the responsibility and supervision of the administrative examination required by law of the disbursing accounts of 64 collectors of internal revenue and 38 internal revenue agents in charge, including internal revenue salary payments made by the collector of customs at San Juan, P. R., as well as the administrative audit of miscellaneous vouchers for transportation, equipment, telephone service, rentals, etc., paid from internal revenue funds by the disbursing clerk of the Treasury Department and direct settlements by the General Accounting Office.

The division administratively examined and recorded 1,236 monthly accounts of collectors of internal revenue and internal revenue agents in charge, including internal revenue salary payments made by the collector of customs, San Juan, P. R., together with 46,342 supporting vouchers, in addition to which 2,785 expense vouchers of employees and 8,009 vouchers covering passenger and freight transportation and miscellaneous expenses were audited and passed to the Disbursing Clerk of the Treasury Department and General Accounting Office for payment.

Office of the General Counsel

The activities of the several divisions of the office of the General Counsel are shown under their respective titles.

Civil Division.—The Civil Division, in cooperation with the Department of Justice and the various United States attorneys, takes charge of all civil internal revenue cases arising in the Federal district courts, the United States Court of Claims, and the Supreme Court of the District of Columbia, together with a limited number of cases originating in State courts. The Civil Division also has charge of all claims for taxes filed in bankruptcy and receivership cases pending in both Federal and State courts.

The division's major activities during the fiscal year are shown in the following tables:

Civil cases received and disposed of during the fiscal year 1932 [1]

Cases	Pending July 1, 1931	Received during year	Closed during year	Pending July 1, 1932
In court	3,069	862	968	2,963
For suit by the United States	210	157	182	185
Lien cases in court	637	831	500	968
Total	3,916	1,850	1,650	4,116

[1] Excludes bankruptcy, receivership, insolvency, compromise and liquor cases.

Civil cases pending in courts July 1, 1931 and 1932 [1]

Courts	July 1, 1931	July 1, 1932
District courts	2,029	2,009
Circuit Courts of Appeals	115	115
Court of Claims	769	737
Supreme Court	16	21
State courts and miscellaneous	58	21
Pending payment of judgment claims	82	60
Total	3,069	2,963

[1] Excludes bankruptcy, receivership, insolvency, compromise and liquor cases.

Offers in compromise of pending suits received during the year numbered 95. Compromise offers disposed of, including those pending at the beginning of the fiscal year, numbered 64, of which 38 were accepted and 26 were rejected. The total amount of taxes sought to be recovered in cases finally compromised was $2,125,416.72 and the sum of $517,382.46 was secured.

The number of cases tried and decided during the fiscal year is shown in the following table. It will be observed that the number of decisions exceeds the number of cases tried. This discrepancy is due to the fact that a case may be tried in one year but not decided until a subsequent year.

Tax cases tried and decided by the Federal courts during the fiscal year 1932

Court	Cases tried	Cases decided			
		For Government	Against Government	Partly for Government and partly against Government	Total
District courts	236	148	77	15	240
Circuit Courts of Appeals	57	72	14	7	93
Court of Claims	107	84	20	8	112
Supreme Court	13	12	7		19
Total	413	316	118	30	464

The work of the division for the fiscal year 1932, in bankruptcy and receivership cases, is summarized as follows:

Bankruptcy and receivership cases closed during the fiscal year 1932

Cases	Number
Pending July 1, 1931	1,355
Received during year	1,266
Total to be disposed of	2,621
Closed during year	752
Pending June 30, 1932	1,869

In the 752 cases closed relating to bankruptcy and receivership, claims were filed in the amount of $5,901,008.76, and $890,487.32 was collected.

Interpretative Division.—An important feature of the work of the Interpretative Division during the fiscal year 1932 was in connection with proposed revenue legislation which resulted in the revenue act of 1932. About the middle of March, when Congress had a general manufacturers' excise tax under consideration and also amendments to the provisions of the existing laws relating to income tax and estate and gift taxes, it was necessary that much preliminary work be done for carrying such legislation into execution promptly in the event it should become a law. With that end in view, attorneys from this division were detailed to work out plans with the Miscellaneous Tax Unit and the Income Tax Unit of the bureau. The progress of the proposed legislation was carefully observed and a study made of the various provisions of suggested legislation. Outlines were drawn of regulations which would be necessary for the administration of a general manufacturers' excise tax law.

When it became apparent that a general manufacturers' excise tax would not be enacted but that, instead, a measure would be passed providing selective taxes on sales and on the use of facilities, representatives of this division, as a result of their study of the proposed legislation, made suggestions for the elimination of inconsistencies and for such provisions as would facilitate the administration of the law. During the same period regulations were being prepared with respect to the income tax, estate and gift taxes, and other tax legislation proposed, for the purpose of keeping this work current. This, of course, necessitated a continuous study of the various provisions of the proposed legislation during its consideration by the committees in charge of the measures and also while those provisions were debated in both legislative houses.

In connection with the preparation of regulations and during the time when the various legislative proposals were under consideration in Congress, representatives of this division, in cooperation with the Miscellaneous Tax Unit and the Income Tax Unit, conferred with representatives of manufacturers' associations, associations of dealers, producers, and others interested with a view to the study of questions bearing upon the effective and equitable administration of the laws and the possible need for remedial legislation.

As the result of a study of such proposed legislation in the light of previous revenue acts, court decisions, and rulings of the department,

some of the regulations relating to miscellaneous taxes were made available before the effective date of the various provisions of the revenue act of 1932 dealing with such taxes, and the preparation of regulations relating to other taxes was materially expedited.

Review Division.—The Review Division reviews cases involving refunds, credits, and abatements of internal revenue taxes. Public decisions are prepared in accordance with Treasury Decision 4264 in all cases where the overassessments exceed $20,000. In cases involving credits and/or refunds in excess of $75,000, reports to the Joint Congressional Committee on Internal Revenue Taxation are also prepared, as required by section 710 of the revenue act of 1928. The class of cases reported to the Joint Congressional Committee includes those in which consideration of appeals by the Special Advisory Committee or by the Appeals Division has resulted in stipulations before the Board of Tax Appeals of refunds and/or credits in excess of $75,000. While this division has maintained no force devoted regularly to the original disposition of cases it has, during the fiscal year 1932, become more active with respect to such cases through participation with other bureau agencies in their efforts to reach final adjustments, particularly in old cases.

There were 2,065 overassessment cases disposed of during the year, including certificates allowing reductions in tax aggregating $173,341,019.53. Adjustments made by this division in 140 of these cases totaled $4,875,252.18. Some of the principles involved in these adjustments also affected the disposition of other cases pending elsewhere in the bureau.

Public decisions under Treasury Decision 4264 were promulgated in 1,489 cases, and in 100 cases memoranda were submitted to the Joint Congressional Committee under the provisions of section 710 of the revenue act of 1928.

As heretofore this division has regularly afforded conferences in cases in which issues appeared to require action contrary to the taxpayer's contentions.

Appeals Division.—This division has immediate charge for the commissioner of all cases brought before the United States Board of Tax Appeals, including those in which appeals are taken from decisions of the board to the appellate courts. Taxpayers have filed with the board petitions for the redetermination of about one-third of the number of deficiencies proposed in 60-day letters. Approximately 54 per cent of the cases closed before the board have been settled by agreement. During this fiscal year 7,618 cases were filed with the board, while 8,382 were disposed of. At the close of the year 20,469 cases, involving proposed deficiencies aggregating $707,265,709.56, were undetermined. Of this number, 816 were in the appellate courts.

Forty-four field division hearings in 29 cities were held during the year by the Board of Tax Appeals. The commissioner was represented at these hearings by attorneys from the Appeals Division.

Cases filed with and closed before the Board of Tax Appeals during the fiscal years 1931 and 1932

Cases	1931		1932	
	Number	Amount	Number	Amount
Pending at beginning of year	16, 035	$596, 715, 402. 66	21, 233	$706, 142, 422. 99
Filed and reopened during year	11, 726	247, 215, 655. 41	7, 618	184, 281, 526. 75
Total to be disposed of	27, 761	843, 931, 058. 07	28, 851	890, 423, 949. 74
Closed during year:				
By dismissal, etc	849		1, 532	
By decision on merits	1, 329		1, 143	
By agreed settlement	4, 350		5, 707	
Total	6, 528	137, 788, 635. 08	8, 382	183, 158, 240. 18
Pending at close of year	21, 233	706, 142, 422. 99	20, 469	707, 265, 709. 56

Penal Division.—The Penal Division, in cooperation with the Department of Justice and the various United States attorneys, passes upon criminal internal revenue cases; prepares opinions on liability for percentage penalties for fraud, negligence, or delinquency; and on acceptance or rejection of offers in compromise of tax cases in which such questions are involved. The division also prepares opinions interpreting or construing percentage penalty and criminal statutes, and opinions on all questions of law involved in a case where there is also a question of percentage penalty or crime. The division also passes upon questions as to whether cases that have been closed by agreement under section 606 of the revenue act of 1928, and similar provisions of the other revenue acts, should be reopened because of "fraud or malfeasance, or misrepresentation of a material fact," and informers' reward claims under section 3463 of the Revised Statutes.

The following table shows the work of the division during the last two fiscal years:

Cases received and disposed of by the Penal Division during the fiscal years 1931 and 1932

Cases	1931	1932
Pending at beginning of year	1, 134	1, 154
Received during year	2, 546	1, 552
Total to be disposed of	3, 680	2, 706
Disposed of	2, 526	1, 773
Pending at end of year	1, 154	933

Special effort was made finally to dispose of the older cases, both those which had been in the division longest and those involving the earlier tax years. This effort has been successful, and a considerable number of the older cases have now been closed.

On April 11, 1932, the United States Supreme Court, in the case of the United States *v.* William R. Scharton, 285 U. S. 518, construed section 1110 (a) of the revenue act of 1926 as providing a 3-year statute of limitations on indictments, under section 1114 (b) of that

act, charging taxpayers with attempting to evade income taxes. It had been the position of the Government, and of some of the lower courts, that criminal proceedings on such a charge might be instituted at any time within six years after commission of the offense. This decision disposed of the question of criminal prosecution in 24.7 per cent of the cases that were then being held open in the Penal Division pending trial, or presentation to grand juries, or consideration as to reference to United States attorneys for prosecution. Section 1110 of the 1926 act has now been amended by section 1108 of the revenue act of 1932, enacted June 6, 1932, to provide clearly and specifically a 6-year statute of limitations, not only where the charge is attempting to evade or defeat tax but also as to certain other offenses against the internal revenue laws.

Administrative Division.—The activities of the Administrative Division include the review of offers in compromise and the holding of conferences on difficult and complicated or protested cases. The division is charged with the supervision of the personnel, library, manuscripts, mail, and records; and devises and inaugurates methods of procedure, assembles and reviews efficiency ratings, interviews applicants, and performs other varied and miscellaneous duties pertaining to the work of the General Counsel's office.

The Compromise Section was transferred from the Civil Division and made a part of the Administrative Division as of July 1, 1931. This section passes upon compromise offers of income and miscellaneous taxes, except criminal or fraud cases, and recommends to the commissioner acceptance or rejection of interest and penalty cases prepared in the income and miscellaneous tax units.

The volume of work of the Administrative Division is summarized in the following table:

Cases received and disposed of by the Administrative Division during the fiscal years 1931 and 1932

Cases	1931	1932
Pending at beginning of year	905	1,307
Received during year	17,113	12,633
Total to be disposed of	18,018	13,940
Closed during year	16,711	12,708
Pending at end of year	1,307	1,232

There were 1,966 cases closed involving insolvent taxpayers. Offers in compromise were accepted in 1,116 cases in the sum of $3,886,706.96 for assessments aggregating $11,328,077.07; in 775 cases offers in compromise were rejected. Seventy-five cases were disposed of by transfer or otherwise. There were 349 cases closed involving claims against estates, assignments and miscellaneous cases. Claims were filed in the aggregate amount of $1,428,246.06, and the sum of $795,122.27 was collected.

MINT BUREAU

Institutions of the mint service

During the fiscal year 1932, 10 mint service institutions were in operation; coinage mints at Philadelphia, San Francisco, and Denver; assay office at New York City, which makes large sales of fine-gold bars; mints at New Orleans and Carson City conducted as assay offices; and assay offices at Boise, Helena, Seattle, and Salt Lake City. The six last-named institutions are, in effect, bullion-purchasing agencies for the large institutions and also serve the public by making assays of ores and bullion. Electrolytic refineries are operated at the New York, Denver, and San Francisco institutions.

Coinage

During the past fiscal year the number of coins executed was again very small, 26,801,500 domestic coins having been made with a total face value of $111,999,580. The value of the gold coinage amounted to $111,015,000; silver coinage, $803,000; and nickel and bronze coinage, $181,580.

Coins executed for foreign governments totaled 9,532,316 pieces of silver and nickel, all made at the Philadelphia Mint, as compared with 2,355,120 pieces of gold and silver made during the prior year.

Total domestic and foreign coinage executed amounted to 36,333,816 pieces in 1932, as compared with 100,591,620 in 1931.

Bullion deposits

The number of bullion deposits during the fiscal year increased to 54,105 from last year's 36,098. Each of these deposits must be separately melted, assayed, computed, etc. Many small parcels were received from individual placer miners, doubtless thus working while more remunerative employment is unavailable; and many more small parcels of secondary materials (old jewelry, plated ware, etc.) were received for monetary use. These increased deposits are continuing in the current fiscal year and promise to reach new high records. Very greatly increased gold imports arrived at the San Francisco Mint.

Gold and silver operations

Gold acquired by the Government at the mint service institutions during the fiscal year 1932 totaled $413,057,073.88; United States gold coin received by the mints for recoinage amounted to $2,945,294.55; transfers of gold between mint offices totaled $11,692,940.68; the aggregate amount of gold received by the mint service institutions during the fiscal year 1932 was $427,695,309.11, which compares with $224,713,639.03 during the prior year.

Receipts of purchased silver during the fiscal year totaled 1,051,030.55 fine ounces, the average cost of which was 28.71 cents per ounce, the total cost being $301,737.75. Silver received in exchange for bars bearing the Government stamp totaled 1,578,487.34 fine ounces; United States silver coin received for recoinage totaled 4,937,147.47 fine ounces, the recoinage value being $6,825,156.35; silver deposited in trust by other governments totaled 3,259,843.03

fine ounces; and transfers between mint service offices totaled 735,-841.89 fine ounces, making the aggregate quantity of silver received by the mint service offices during the fiscal year 11,562,350.28 fine ounces, as compared with 7,851,899.24 ounces during the prior year.

The New York market price of silver during the fiscal year averaged $0.29404; the lowest price was $0.269375, on June 30, 1932; and the highest price, $0.375625, on November 10, 1931.

Refineries

The refineries at the San Francisco and Denver Mints produced 1,602,238 fine ounces (54.9 tons) of electrolytically refined gold during the fiscal year, which compares with 1,365,444 fine ounces (46.8 tons) in the prior fiscal year; and 1,855,387 fine ounces of electrolytically refined silver (63.6 tons), which compares with 1,811,491 fine ounces (62.1 tons) in the prior year. The New York electrolytic refinery did not operate during the year.

The stock of gold and silver in unrefined bullion increased during the fiscal year by about 136 tons to 665 tons, as compared with the prior year's increase of about 89 tons.

New design coin

A new design for the quarter dollar was authorized by the act of March 4, 1931, as an incident of the bicentennial celebration of the birth of George Washington. A portrait head of Washington is the principal feature of the design, which is by the sculptor John Flanagan. On the reverse is an eagle with wings spread, standing on a bundle of arrows; and beneath, two olive branches are shown. Inscriptions are those required by law.

Washington bicentennial medal

The Washington bicentennial medal, authorized by the act of February 23, 1931, which provides for commemorating the two-hundredth anniversary of the birth of George Washington, was executed at the Philadelphia Mint. The portrait bust of George Washington is in military uniform, and a shield bearing his coat of arms separates the years 1732–1932. On the reverse appears a full-length figure symbolizing liberty standing with arms outstretched on the prow of the ship of state, a torch in the right hand and a sword in the left; above the figure is an eagle with wings spread, and 13 stars scattered in the field. The inscription on the obverse is "Washington"; on the reverse, "Proclaim liberty throughout all the land." The design is by Laura Gardin Fraser, sculptor.

Housing

The new building for the New York assay office was practically ready for occupancy at the end of the fiscal year. It is located on the East River water front at Old Slip, South, and Front Streets, about six blocks from the old Wall Street site which has been sold by the Government. It covers an area of about 195 by 142 feet, is five stories in height, with much greater floor area than the old building provided.

The Seattle assay office moved, in February, 1932, from the rented building at 617 Ninth Avenue which it had occupied since the office

was established in 1898, to its quarters on the top floor of the new immigration station and assay office building at Fifth Avenue South and Airport Way. The entire top floor was specially arranged for the assay office.

The old Mint Building at New Orleans was vacated by the New Orleans Mint (operated as an assay office only) in June, 1931. Much smaller but adequate quarters were made available in the Custom House, where the mint is now located.

The Boise assay office is soon to occupy quarters specially arranged for it in a new Federal building.

Gold and silver in the United States

Stock of coin and monetary bullion.—On June 30, 1932, the estimated stock of domestic coin in the United States was $2,765,212,687, of which $1,793,828,454 was gold, $540,007,911 standard silver dollars, $304,882,996 subsidiary silver coin, and $126,493,326 minor coin.

The stock of gold bullion in the mints, assay offices, and Federal reserve banks on the same date was valued at $2,124,767,363, a decrease during the year of $1,132,720,046; the stock of silver bullion was 21,721,223.09 fine ounces, an increase of 5,397,519.59 fine ounces.

Production of gold and silver.—Domestic gold production during the calendar year 1931 was $49,527,200, as compared with $47,247,600 in 1930. The output was about 49 per cent of that for the record year 1915, when the total was $101,035,700.

Domestic silver production during 1931 totaled 30,932,050 ounces, valued at $8,970,294. This compares with 50,748,127 ounces, valued at $19,538,029, for 1930, and with the record production of 74,961,075 fine ounces, valued at $37,397,300, for 1915.

Industrial consumption of gold and silver.—Gold consumption in the industrial arts during the calendar year 1931 is estimated at $29,157,865, of which $5,930,780 was new material. Silver used in the arts is estimated at 33,682,119 fine ounces, of which 24,335,838 fine ounces was new material. As compared with the prior year, silver consumption was about 2,700,000 ounces less and gold consumption about $13,500,000 less.

Net import and export of domestic gold coin.—The net import of domestic gold coin during the fiscal year, according to statistics compiled by the Bureau of Foreign and Domestic Commerce, was $32,675,722; during the prior fiscal year there was net import of $213,742,550. During the 18 fiscal years 1915–1932, since the opening of the World War, there has been a net export of $776,210,798 of domestic gold coin; since 1870 the net export has been $1,653,859,862.

Appropriations, expenses, income, etc.

Appropriations available for the mint service during the fiscal year 1932 totaled $1,731,920, and reimbursements to appropriations for services rendered amounted to $102,324.15, making a total of $1,834,244.15.

Expenses amounted to $1,552,048.70, of which $1,543,209.26 was chargeable to appropriations and $8,839.44 chargeable to income.

The income realized by the Treasury from the mint service aggregated $1,010,838.26, of which $402,421.54 was seigniorage. The

seigniorage on subsidiary silver coin was $276,133.38; on nickel coin, $27,822.44; and on bronze coin, $98,465.72.

The number and value of deposits, transfers, gross income, and expenses for the fiscal year 1932, and the number of employees on June 30, 1932, at each institution are shown in the following table:

Deposits of gold and silver, income, expenses, and employees, by institutions, fiscal year 1932

Institutions	Number of deposits of gold and silver	Number of mint service transfers	Coinage value of gold and silver received	Gross income	Gross expense	Excess of income (+) or of expenses (−)	Employees June 30, 1932
Philadelphia	12,399	490	$14,332,531.19	$452,956.36	$615,096.24	−$162,139.88	248
San Francisco	15,899	1,317	222,634,088.19	196,399.31	246,390.37	−49,991.06	95
Denver	3,811	96	14,848,848.28	98,873.28	195,399.04	−96,525.76	79
New York City	15,105	131	174,970,737.47	253,914.67	382,449.85	−128,505.18	113
New Orleans	704	--------	463,770.31	1,220.86	13,619.65	−12,398.79	5
Carson City	612	--------	173,778.42	809.68	6,298.74	−5,489.06	3
Boise	668	--------	253,340.89	1,563.21	7,976.86	−6,413.65	4
Helena	556	--------	137,434.85	1,319.79	6,722.62	−5,402.83	3
Seattle	2,228	--------	10,310,558.67	4,991.27	33,447.73	−28,456.46	9
Salt Lake City	89	--------	30,416.43	578.86	4,401.37	−3,822.51	2
Total	52,071	2,034	438,155,534.70	1,012,657.29	1,511,802.47	−499,145.18	561
Bureau of the Mint	--------	--------	--------	--------	42,065.26	−42,065.26	13
Grand total	52,071	2,031	438,155,534.70	1,012,657.29	1,553,867.73	−541,210.44	574
Prior fiscal year	34,807	1,294	236,072,559.17	1,633,157.17	1,567,330.73	+65,826.44	612

BUREAU OF NARCOTICS

Activities

Following the policy of the previous year the activities of the bureau have been directed mainly toward the apprehension of the major law violators in an endeavor to eliminate the sources of supply of narcotic drugs and the main channels through which such drugs are illicitly distributed, as well as to exercise control of the legitimate manufacture and distribution of drugs for medical purposes.

In the pursuit of these objects, close cooperation has continued between the Bureau of Narcotics and the Bureau of Customs, supplemented by the arrangements for the international exchange of information relating to illicit shipments proceeding from one country to another.

Very satisfactory progress has been made in a number of districts in developing the cooperation of State, county, and municipal authorities in dealing with minor violators under local laws and in providing for the institutional treatment of addicts within their respective jurisdictions. The special representative of the Bureau of Narcotics continued to visit officers of the several State licensing boards and the officers of many of the State medical associations to solicit cooperation in the matter of revocation or suspension of licenses to practice medicine, dentistry, or pharmacy with respect to those licentiates who have been convicted of violating the Harrison narcotic law or who were suspected of being narcotic drug addicts.

The Bureau of Narcotics also continued to cooperate with the Conference of Commissioners on Uniform State Laws by submitting

suggestions and recommendations to that organization with respect to a draft of a uniform State narcotic law which is being prepared by the conference. A final draft is expected to be ready for submission to the legislatures of the several States in the near future.

The unusual success in detecting and confiscating illicit shipments of narcotic drugs during the previous year so effectively discouraged attempts at smuggling that the supply of drugs available to the addict and illicit peddler has been materially limited. As a consequence there has been a noticeable increase in the robbing of legitimate stocks and the forging of order forms and prescriptions to procure supplies of drugs.

The reduced attempts at smuggling and the limited supply of drugs available to the addict are reflected in the statistics of seizures of drugs in the illicit traffic during the year. Narcotic drugs seized at ports or border points amounted to 15,801 ounces as compared with 66,674 ounces during the previous year. Narcotic drugs seized or purchased as evidence from illicit sources by Federal narcotic enforcement officers amounted to 8,334 ounces as compared with 41,622 ounces during the previous year. This decrease in the supply of drugs in the illicit market is also due, in part, to the effective cooperation of certain European governments in limiting the manufacture of drugs.

The bureau has continued to receive the cooperation of the Division of Mental Hygiene in the United States Public Health Service in determining quantities of crude drugs to be permitted importation into the United States, and with reference to other matters connected with narcotic law enforcement.

The following table shows the number of cases of violation, by registered and nonregistered persons, of the narcotic laws and of the act of January 17, 1914, which regulates the manufacture of smoking opium; and the cases disposed of during the year.

Violations of the narcotic laws and the cases disposed of during the fiscal year 1932

Cases	Under narcotic laws other than the act of Jan. 17, 1914		Under act of Jan. 17, 1914
	Registered persons	Nonregistered persons	
Pending July 1, 1931	469	1,624	16
Reported during 1932	703	4,598	7
Total to be disposed of	1,172	6,222	23
Convicted	104	2,944	
Acquitted	12	124	
Compromised [1]	174	7	
Dropped	407	1,602	14
Total disposed of	697	4,677	14
Pending June 30, 1932	475	1,545	9

[1] Includes 10 cases involving tax liability which were closed on payment of taxes and penalties.

One hundred and nine aliens were ordered deported during the year for violation of or conspiracy to violate narcotic laws and the cases of

163 persons reported to the Department of Labor for such offenses were pending at the close of the year.

Fines imposed during the year for violations of the narcotic laws amounted to $151,253.52. There were 171 cases compromised, resulting in payment into the Treasury of $20,007.50.

Extent and trend of narcotic traffic

On June 30, 1932, there were 331,063 registrations under the Harrison narcotic law, as amended, 253 as importers and manufacturers, 1,523 as wholesale dealers, 52,539 as retail dealers, 148,556 as practitioners, and 128,192 as dealers in and manufacturers of untaxed narcotic preparations, the latter number including registrants not required to pay occupational tax in this special classification by reason of paying another occupational tax under the act.

During the year 145,458.33 pounds of opium were imported as compared with importations of 134,092.75 pounds during the previous year, or an increase of 11,365.58 pounds. Importations of coca leaves for medicinal purposes amounted to 223,388.70 pounds as compared with importations of 221,997.50 pounds during the previous year, or an increase of 1,391.20 pounds.

A further quantity of 98,695 pounds of coca leaves was imported for purposes other than medicinal, that is to say, for manufacture of decocainized coca extracts as provided by section 6 of the act of June 14, 1930.

Exports of narcotic drugs of all kinds amounted to 3,536 ounces in 1931 and 4,402 ounces in 1932, or an increase of 866 ounces. The drugs exported during 1932 involved 46,963 taxable ounces of products.

The net quantity of pure drugs of all kinds sold to domestic purchasers by manufacturers amounted to 350,932 ounces as compared with sales of 382,857 ounces of such drugs during the previous year. The drugs thus sold to domestic purchasers involved 3,881,895 taxable ounces of products.

The control of the legal importation, manufacture, and distribution of narcotic drugs continued to be reasonably effectual. The quantity of drugs of domestic manufacture which was diverted to illicit use remained comparatively negligible, notwithstanding the tendency toward petty diversions through the robbing of stocks and the forging of order forms. While smuggling and the subsequent selling of opium, morphine, heroin, and cocaine continued to present the principal enforcement problem, the bureau, as previously stated, also continued its efforts to secure an efficient degree of State cooperation to supplement the Federal enforcement activities hereinbefore outlined.

Personnel

The personnel of the Bureau of Narcotics on July 1, 1931, consisted of 105 employees on the bureau roll and 323 employees on the field roll, a total of 428 employees. At the close of the fiscal year there were 105 employees on the bureau roll and 320 employees on the field roll, a total of 425 employees.

PERSONNEL CLASSIFICATION OFFICER

Appeals and classification sheets

The total number of classification sheets handled by the personnel classification officer during the fiscal year 1932 was 20 per cent less than the number acted on during the previous year. The number of individual appeals presented for change in grade was approximately 55 per cent less than during the previous fiscal year.

The decrease in the number of classification sheets handled was due primarily to the President's request that no promotions be made, as well as to the fact that only absolutely necessary vacancies were filled. Also, the survey of the Bureau of Internal Revenue undertaken by the Personnel Classification Board was practically completed at the close of the fiscal year 1931, and the personnel of the Supervising Architect's Office had about reached its peak by that time.

The following table presents a summary of the appeals acted on during the year:

Appeals	Number of appeals		Number of persons involved	
Carried over from fiscal year 1931		84		154
Presented during fiscal year 1932:				
Individual	124		124	
Group	8		83	
		132		207
Total to be disposed of		216		361
Approved:				
1931	11		33	
1932	21		21	
		32		54
Disapproved:				
1931	29		39	
1932	81		126	
		110		165
Canceled:				
1931	3		12	
1932	6		6	
		9		18
Total acted on—				
1931	43		84	
1932	108		153	
		151		237
Carried over to fiscal year 1933:				
1931	41		70	
1932	24		54	
		65		124

Efficiency ratings

The total number of employees rated as of May 15, 1932, was 8,902 and the average for the entire department was 88.13 per cent.

Special investigation was made of every case where the efficiency rating given the employee would involve a reduction in salary, a reduction in grade, or dismissal, under the rules as laid down.

PUBLIC DEBT SERVICE

Division of Loans and Currency

This division is the active agent of the Secretary for the issue of all public debt obligations of the United States and for conducting transactions in such obligations after issue. It is also responsible for the

issue of bonds or other obligations of Puerto Rico and the Philippine Islands, for which the Treasury Department acts as fiscal agent. The division undertakes the safe-keeping of public debt and insular loan securities for certain Government offices. It also counts and delivers to the Destruction Committee United States currency cancelled as unfit and mutilated paper (spoilage, etc.) received from the Division of Paper Custody and the Bureau of Engraving and Printing.

Issue and retirement of securities.—The following is a summary of the activities during the fiscal year in connection with the issue and retirement of securities conducted through this division. Complete details of all transactions in public debt securities are presented in formal statements elsewhere in the report.

Issues, retirements, and transactions in stock of United States securities during the fiscal year 1932

[Par value]

	Registered	Nonregistered	Total
ISSUES			
Stock shipments to Federal reserve banks:			
For exchange transactions		$3, 777, 349, 600. 00	$3, 777, 349, 600. 00
Allotment for original issue		[1] 14, 159, 365, 900. 00	14, 159, 365, 900. 00
Original issue by the division	[2] $2, 120, 226, 670. 00	11, 284, 860. 00	2, 131, 511, 530. 00
Securities issued on exchange	789, 647, 980. 00	53, 115, 490. 00	842, 763, 470. 00
Total securities issued and shipped	2, 909, 874, 650. 00	18, 001, 115, 850. 00	20, 910, 990, 500. 00
RETIREMENTS			
Securities retired on exchange	420, 429, 790. 00	422, 333, 680. 00	842, 763, 470. 00
Securities cleared for redemption	[2] 2, 082, 258, 805. 00	1, 694, 398. 75	2, 083, 953, 203. 75
Securities retired on other accounts (i. e., claims, credit, and exchange authorization retirements)	407, 407, 925. 00	30, 855. 00	407, 438, 780. 00
Total securities retired	2, 910, 096, 520. 00	424, 058, 933. 75	3, 334, 155, 453. 75
STOCK ACTIVITIES			
Securities received from Bureau of Engraving and Printing	[2] 2, 955, 306, 840. 00	19, 383, 046, 660. 00	22, 338, 353, 440. 00
Securities restored to stock by Federal reserve banks		44, 776, 550. 00	44, 776, 550. 00
Stock cancelled and delivered to Register of Treasury:			
Securities	4, 747, 240. 00	660, 890, 850. 00	665, 638, 090. 00
Detached matured coupons (15,911,775 pieces)		432, 512, 234. 74	432, 512, 234. 74

[1] Includes Treasury bills available for either original issue or exchange, amounting to $6,847,416,000.
[2] Includes special 1-day certificates of indebtedness amounting to $1,656,000,000.

Individual registered accounts activities.—In connection with public debt registered issues, individual accounts are maintained and interest is paid periodically in the form of checks. The accounts open on June 30, 1932, were as follows:

	Number of accounts	Principal
Interest-bearing loans:		
Pre-war loans	19, 864	$767, 891, 720
Liberty and Treasury loans	867, 598	2, 345, 387, 300
Treasury notes and certificates of indebtedness	13	308, 970, 000
Total interest-bearing loans	887, 475	3, 422, 249, 020
Noninterest-bearing loans, Liberty and Victory and postal savings	5, 931	1, 204, 680
Total open accounts	893, 406	3, 423, 453, 700

There were 89,105 individual accounts closed for registered Liberty bonds, Victory notes, and Treasury bonds, and 28,559 accounts were decreased, representing the retirement of securities amounting to $512,097,000 par value. In connection with the same loans, 96,845 new accounts amounting to $482,103,350 principal were opened. Thirty-four thousand five hundred and eighty changes of address for the mailing of interest checks were made on the registered accounts during the year.

Interest on registered Liberty and Treasury bonds was paid on due dates by means of 1,719,750 checks, amounting to $94,569,434.96. On registered securities of the pre-war loans, 47,049 checks for $15,866,207.50 were issued and there was certified to the Treasurer interest payable amounting to $8,102,963.09 on registered Treasury notes and certificates of indebtedness. There were received from the Bureau of Engraving and Printing 1,842,650 checks as stock, and there were cancelled and delivered to the Destruction Committee stock consisting of 202,062 checks.

Claims.—Claims for relief on account of lost, stolen, destroyed, and mutilated securities handled by the division during the fiscal year were as follows:

	Number of claims	Number of securities (pieces)	Par amount of securities
Received	2,966	9,144	$832,041.61
Settled by—			
Reissue or redemption of securities	1,852	4,781	277,340.61
Recovery of securities	613	1,253	515,265.00
Disallowance of claims	67	273	21,540.00
Other disposition [1]	146	559	2,795.00
Total settled	2,678	6,866	816,940.61

[1] War savings cases sent to Surrenders Section for settlement because of question of ownership.

Safe-keeping of securities.—At the beginning of the year there were securities amounting to $345,743,150 in safe-keeping for various Government offices, against which formal audited receipts were outstanding. Throughout the year securities amounting to $622,319,400 were received for safe-keeping and receipts therefor issued, and securities amounting to $605,066,300 were delivered from safe-keeping upon the surrender of outstanding receipts, leaving a balance of securities amounting to $362,996,250 in safe-keeping June 30, 1932.

Mutilated paper and redeemed currency.—Mutilated paper verified and delivered to the Destruction Committee consisted of 21,706,953 sheets and coupons, of which 20,655,099 sheets and coupons were received from the Bureau of Engraving and Printing and 1,051,854 sheets from the Division of Paper Custody.

Redeemed currency counted and delivered to the Destruction Committee during the year amounted to 690,393,302 pieces, representing $1,245,621,854.44, detailed as follows:

Number of pieces and amount of redeemed currency delivered to the Destruction Committee during the fiscal year 1932

Currency retired from circulation as unfit	Number of pieces	Face value
OLD SERIES		
United States notes	1,899,238	$6,856,231.00
Silver certificates	5,325,877	6,212,987.00
Gold certificates	2,026,609	49,338,800.00
Treasury notes	2,396	17,100.00
Fractional currency	6,073	1,354.44
Total	9,260,193	62,426,472.44
NEW SERIES		
United States notes	73,431,520	306,851,419.00
Silver certificates [1]	586,383,939	586,378,113.00
Gold certificates	21,317,650	289,965,850.00
Total	681,133,109	1,183,195,382.00
Grand total	690,393,302	1,245,621,854.44

[1] Slight excess of pieces is due to redemption of exact half notes at half value.

Publicity.—The division maintains a mailing list, in addition to its list of holders of registered securities, for the purpose of placing new public debt offerings, notices of redemption, and such matters before the public. Approximately 320,000 printed circulars were distributed to the public during the year by this means.

Register of the Treasury

The Register of the Treasury performs the final audit and has custody of all retired Federal securities, including interest coupons, together with the securities of the insular possessions. All public debt securities redeemed by the Treasurer of the United States must be finally audited by the Register and certification thereof made to the Comptroller General before credit is extended to the Treasurer for amounts expended. The Register also establishes credits due the Federal reserve banks and the Division of Loans and Currency for securities forwarded by them for retirement on account of exchanges, replacements, transfer of registration, etc.

The following comparative statement sets forth, by class of security, the total number of documents, together with the face value thereof, which were received, examined, and filed in the Register's office during the fiscal years 1931 and 1932:

Securities received, examined, and filed in the Register's office during the fiscal years 1931 and 1932

Class of security	1931		1932	
	Pieces	Amount	Pieces	Amount
REDEEMED				
Bearer				
United States securities:				
Pre-war loans	38	$85, 470. 00	142	$10, 210. 00
Liberty loans	40, 432	3, 966, 800. 00	21, 926	2, 541, 700. 00
Treasury bonds	2	1, 000. 00	6, 196	94, 269, 550. 00
Treasury notes	148, 986	1, 141, 491, 950. 00	110, 523	475, 527, 650. 00
Certificates of indebtedness	79, 342	1, 431, 579, 200. 00	103, 802	2, 106, 251, 550. 00
Treasury bills	11, 963	771, 149, 000. 00	40, 933	2, 150, 724, 000. 00
Treasury (war) savings securities	256, 868	404, 014. 03	200, 735	320, 473. 08
Interest coupons	17, 419, 282	449, 159, 752. 86	16, 175, 976	469, 077, 116. 99
Total	17, 956, 913	3, 797, 757, 216. 89	16, 660, 233	5, 298, 722, 250. 07
Registered				
United States securities:				
Pre-war loans	41	66, 880. 00	1, 950	497, 580. 00
Liberty loans	4, 199	938, 250. 00	1, 836	389, 400. 00
Treasury notes	645	904, 507, 000. 00	108	11, 542, 000. 00
Certificates of indebtedness	309	1, 675, 700, 000. 00	923	2, 066, 100, 000. 00
Treasury (war) savings securities	17, 435	611, 555. 98	12, 971	412, 281. 20
Interest checks (Liberty loans)	2	4. 24		
Total	22, 631	2, 581, 823, 690. 22	17, 788	2, 081, 941, 261. 20
Total redeemed	17, 979, 544	6, 379, 580, 907. 11	16, 678, 021	7, 380, 663, 511. 27
RETIRED ON ACCOUNT OF EXCHANGES FOR OTHER SECURITIES, ETC.				
Bearer				
United States securities:				
Pre-war loans	1, 304	1, 004, 480. 00	1, 557	1, 036, 290. 00
Liberty loans	1, 019, 218	923, 039, 850. 00	794, 094	1, 800, 010, 500. 00
Treasury bonds	90, 399	499, 552, 800. 00	204, 004	1, 141, 794, 100. 00
Treasury notes	70, 039	419, 605, 950. 00	41, 477	552, 968, 900. 00
First 3½ per cent Liberty loan interim certificates	43	8, 450. 00	53	5, 400. 00
Certificates of indebtedness	80, 636	1, 339, 425, 000. 00	108, 632	1, 849, 716, 300. 00
Treasury bills	530	21, 806, 000. 00	7, 534	402, 615, 000. 00
Treasury (war) savings securities	−1	−5. 00		
Securities not affecting public debt, insular possessions loans	5, 985	5, 985, 000. 00	635	635, 000. 00
Total	1, 268, 153	3, 240, 427, 525. 00	1, 157, 986	5, 748, 811, 490. 00
Registered				
United States securities:				
Pre-war loans	14, 060	80, 686, 710. 00	39, 071	141, 320, 790. 00
Liberty loans	205, 998	428, 444, 650. 00	191, 653	369, 715, 450. 00
Treasury bonds	13, 336	157, 637, 550. 00	18, 577	141, 992, 150. 00
Treasury notes	18	512, 513, 000. 00	6	18, 564, 000. 00
Certificates of indebtedness	4	122, 500, 000. 00	37	149, 000, 000. 00
Treasury (war) savings securities	−6	−30. 00	−32	−160. 00
Securities not affecting public debt, insular possessions loans	2, 184	4, 283, 500. 00	1, 971	4, 174, 000. 00
Total	235, 594	1, 306, 065, 380. 00	251, 283	827, 766, 230. 00
Total retired on account of exchanges, etc.	1, 503, 747	4, 546, 492, 905. 00	1, 409, 269	6, 576, 577, 720. 00
UNISSUED STOCK RETIRED				
Bearer				
United States securities:				
Pre-war loans			283	152, 870. 00
Liberty loans	3, 009	167, 800. 00	19, 579	14, 984, 700. 00
Treasury bonds	30	245, 000. 00	4	4, 000. 00
Treasury notes	333, 125	626, 784, 750. 00	68, 066	425, 430, 250. 00
Certificates of indebtedness	121, 955	736, 932, 000. 00	134, 052	734, 823, 500. 00
Treasury bills	16, 618	310, 549, 000. 00	13, 456	1, 298, 387, 000. 00
Treasury (war) savings securities	7	35. 00	32	160. 00
Interest coupons	5, 794, 463	414, 100, 466. 64	16, 637, 358	487, 993, 733. 01
Securities not affecting public debt, insular possessions loans			150	150, 000. 00
Total	6, 269, 207	2, 088, 779, 051. 64	16, 872, 980	2, 961, 926, 213. 01

Securities received, examined, and filed in the Register's office during the fiscal years 1931 and 1932—Continued

Class of security	1931		1932	
	Pieces	Amount	Pieces	Amount
UNISSUED STOCK RETIRED—continued				
Registered				
United States securities:				
Pre-war loans	32	$113,000.00	4,889	$1,186,280.00
Liberty loans	115	494,500.00	227	222,950.00
Treasury bonds	7	11,000.00	246	1,191,650.00
Treasury notes			20	No value.
Certificates of indebtedness			20	No value.
Securities not affecting public debt, insular possessions loans	5,183	24,099,000.00	669	2,335,000.00
Railroad loans			2	6,000.00
Total	5,337	24,720,500.00	6,073	4,941,880.00
Total unissued stock retired	6,274,544	2,113,499,551.64	16,879,053	2,966,868,093.01
RECAPITULATION				
Bearer				
United States securities:				
Pre-war loans	1,342	1,009,950.00	1,982	1,199,370.00
Liberty loans	1,062,659	927,174,450.00	835,599	1,817,536,900.00
Treasury bonds	90,431	499,798,800.00	210,201	1,236,067,650.00
Treasury notes	552,150	2,217,882,650.00	220,066	1,453,926,800.00
First 3½ per cent Liberty loan interim certificates	43	8,450.00	53	5,400.00
Certificates of indebtedness	281,933	3,507,936,200.00	346,486	4,690,791,350.00
Treasury bills	29,111	1,103,504,000.00	61,923	3,851,756,000.00
Treasury (war) savings securities	256,874	404,074.03	200,767	320,633.08
Interest coupons	23,213,745	863,260,219.50	32,813,334	957,070,850.00
Securities not affecting public debt, insular possessions loans	5,985	5,985,000.00	785	785,000.00
Total	25,494,273	9,126,963,793.53	34,691,199	14,009,459,953.08
Registered				
United States securities:				
Pre-war loans	14,133	80,866,590.00	45,910	146,004,650.00
Liberty loans	210,312	429,877,400.00	193,716	370,327,800.00
Treasury bonds	13,343	157,651,550.00	18,823	143,183,800.00
Treasury notes	663	1,417,020,000.00	134	33,106,000.00
Certificates of indebtedness	313	1,798,200,000.00	980	2,215,100,000.00
Treasury (war) savings securities	17,129	611,525.98	12,939	412,121.20
Interest checks (Liberty loans)	2	4.24		
Securities not affecting public debt, insular possessions loans	7,367	28,382,500.00	2,640	6,509,000.00
Railroad loans			2	6,000.00
Total	263,562	3,912,609,570.22	275,144	2,914,649,371.20
Grand total	25,757,835	13,039,573,363.75	34,966,343	16,924,109,324.28

Numerical ledgers are maintained in which are recorded by code the source and various transactions connected with each bearer security functioned in the Register's office, excepting Treasury (war) savings securities. Inquiries from various agencies of the Federal Government and the public involving over 85,000 items were handled during the fiscal year 1932.

Division of Public Debt Accounts and Audit

This division maintains administrative control accounts for all official transactions in the public debt conducted by the various Treasury offices and the Federal reserve banks as fiscal agents of the

United States, and also for transactions involving paper used for printing public debt securities, United States currency, stamps, etc., and other miscellaneous securities and documents in the Bureau of Engraving and Printing. Numerous administrative audit functions are performed in connection with the foregoing. The division also maintains control accounts for various classes of unissued currency in reserve stocks of the Treasurer of the United States and the Comptroller of the Currency, and conducts administrative examinations and physical audits of such unissued stocks of currency, and of cash balances in custody and collateral securities held in trust in the offices of the Treasurer of the United States.

During the year 137 physical audits were engaged in by a force of 19 auditors and audit clerks regularly assigned to this work, which force was augmented in some of the larger audits by additional auditors and assisted by groups of counters. These audits involved securities, currency, paper, interest checks, etc., amounting to about $30,000,000,000 in face value and 100,000,000 in number of pieces.

During the year this division determined and certified credits to the cumulative sinking fund and amounts in the sinking fund available for expenditure from time to time, interest on all classes of public debt securities which became due and payable on their respective interest-payment dates, and the amount of each form of public debt securities and unpaid interest outstanding each month. It prepared estimates of interest to become payable on public debt securities in future fiscal years and expenditures to be made on account of retirements for the sinking fund and other special accounts, and prepared statements showing the accountability of Federal reserve banks for public debt securities for the use of Federal Reserve Board examiners in their periodical examinations of those banks. Numerous data pertaining to public debt transactions for various interested offices and individuals were also compiled.

Division of Paper Custody

A summary of the operations of the Division of Paper Custody during the fiscal year 1932 is presented in the following tables:

Receipts and issues of distinctive and nondistinctive paper during the fiscal year 1932

Kind	On hand July 1, 1931	Receipts	Issues	On hand June 30, 1932
	Sheets	*Sheets*	*Sheets*	*Sheets*
Distinctive paper for United States currency, Federal reserve notes, and national bank currency, new series, 12 subjects	31,785,774	80,020,923	92,884,672	18,922,025
Bank note paper, experimental	9,995			9,995
United States bond paper	4,579,395	1,858,282	2,368,186	4,069,491
Parchment, artificial parchment, and parchment deed paper	254,017	179,010	190,095	242,932
Miscellaneous paper	4,516,528	397,448	3,017,080	1,896,896
Philippine Islands, distinctive paper for Philippine currency	146,268		146,268	
Postal card	16,751	75,444	70,006	22,189
Total	41,308,728	82,531,107	98,676,307	25,163,528

Federal reserve notes, new series, received and issued during the fiscal year 1932

Federal reserve bank	On hand July 1, 1931	Received	Issued	On hand June 30, 1932
Boston	$332, 300, 000	$158, 820, 000	$178, 800, 000	$312, 320, 000
New York	824, 800, 000	274, 800, 000	579, 620, 000	519, 980, 000
Philadelphia	256, 080, 000	284, 520, 000	212, 600, 000	328, 000, 000
Cleveland	308, 620, 000	266, 520, 000	223, 000, 000	352, 140, 000
Richmond	306, 200, 000	16, 440, 000	58, 740, 000	263, 900, 000
Atlanta	179, 860, 000	92, 040, 000	36, 900, 000	235, 000, 000
Chicago	550, 360, 000	265, 140, 000	567, 840, 000	247, 660, 000
St. Louis	72, 280, 000	151, 200, 000	82, 200, 000	141, 280, 000
Minneapolis	76, 740, 000	21, 300, 000	35, 900, 000	62, 140, 000
Kansas City	79, 680, 000	129, 060, 000	68, 620, 000	140, 120, 000
Dallas	130, 080, 000	91, 200, 000	55, 500, 000	165, 780, 000
San Francisco	57, 040, 000	247, 740, 000	132, 360, 000	172, 420, 000
Total	3, 174, 040, 000	1, 998, 780, 000	2, 232, 080, 000	2, 940, 740, 000

Destruction Committee

The following table summarizes the number of pieces and the face amount of securities received from the various offices and destroyed by the destruction committee during the fiscal year 1932.

	Pieces[1]		Face value	
Division of Loans and Currency and Treasurer of the United States:				
New series—				
United States notes	73, 521, 290		$307, 300, 119. 00	
Silver certificates	587, 348, 139		587, 342, 613. 00	
Gold certificates	21, 319, 937		290, 418, 450. 00	
		682, 222, 666		$1, 185, 061, 182. 00
Old series—				
United States notes	1, 899, 238		6, 856, 231. 00	
Silver certificates	5, 325, 877		6, 212, 987. 00	
Gold certificates	2, 026, 609		49, 338, 800. 00	
Treasury notes	2, 396		17, 100. 00	
Fractional notes	6, 073		1, 354. 44	
		9, 260, 193		62, 426, 472. 44
Total		691, 482, 859		1, 247, 487, 654. 44
Comptroller of the Currency and National bank agents:				
New series—				
National bank notes (5 per cent account)	42, 710, 840		341, 218, 005. 00	
National bank notes (retired)	3, 775, 301½		31, 974, 237. 50	
Unissued vault stock	2, 178, 616		20, 576, 400. 00	
		48, 664, 757½		393, 768, 642. 50
Old series—				
National bank notes (5 per cent account)	1, 143, 518		15, 084, 332. 50	
National bank notes (retired)	408, 893½		5, 404, 038. 00	
Federal reserve bank notes (retired)	103, 051		201, 922. 00	
		1, 655, 465½		20, 690, 292. 50
Total		50, 320, 223		414, 458, 935. 00
Comptroller of the Currency and Federal reserve bank agents:				
Federal reserve notes (new series)	98, 113, 281		874, 148, 740. 00	
Federal reserve notes (old series)	4, 549, 520		75, 602, 395. 00	
		102, 662, 801		949, 751, 135. 00
Internal Revenue Bureau:				
Miscellaneous stamps from Stamp Division			16, 200, 288. 40	
Miscellaneous stamps from Tobacco Division			374, 294. 58	
Refund, miscellaneous stamps, Tax Unit			99, 189. 37	
Bureau of Engraving and Printing, unissued vault stock			14, 616, 347. 88	
				31, 290, 120. 23

[1] All money under the head of pieces is expressed in whole notes.

	Pieces		Face value	
Register of the Treasury:				
Coupon bond notes, Federal reserve, unissued	921, 354		$875, 947, 850. 00	
Interest coupons, unissued	7, 664, 123		248, 654, 876. 64	
Interest coupons, unissued, Federal reserve bank	250, 547		17, 897, 392. 06	
Farm loan bonds and coupons	643, 479		425, 205, 553. 47	
Registered war savings stamps, redeemed	10, 173		50, 850. 42	
Old loan registered securities, unissued	5, 521		3, 332, 640. 00	
Miscellaneous securities, specimen copies	435	9, 495, 632	3, 744, 590. 00	$1, 574, 833, 752. 59
Public Debt Service, photostats		376		----------
Division of Loans and Currency (security section) interest checks		202, 062		----------
Grand total		854, 163, 953		4, 217, 821, 597. 26

	Sheets	Coupons
Division of Loans and Currency (Bureau of Engraving and Printing spoilage):		
Money of all kinds	2, 650, 313$\frac{1}{3}$	----------
Postage stamps	7, 547, 620$\frac{9127}{10200}$	----------
Internal revenue stamps	2, 113, 536$\frac{1}{3}$	----------
Bonds and certificates of indebtedness	188, 755$\frac{5}{6}$	----------
Customs and miscellaneous stamps	1, 347, 129$\frac{497}{1800}$	----------
Postal savings certificates	239, 795	----------
Void coupons	----------	6, 567, 670. 00
Experimental, nondistinctive	281	----------
Division of Loans and Currency (Division of Paper Custody):		
Bond paper	1, 051, 849	----------
Security paper	5	----------
Grand total	15, 139, 285$\frac{2053}{3060}$	6, 567, 670. 00

PUBLIC HEALTH SERVICE

Division of Sanitary Reports and Statistics

Notwithstanding unfavorable economic conditions, the reports received from State and local health officers and other sources indicate generally good health conditions in the United States during the calendar year 1931 and the first six months of 1932. The general death rate and the morbidity and mortality rates for the communicable diseases were low during these periods. In 1929 the general death rate in the registration area of the United States was 11.9 per 1,000 population; in 1930 it was 11.3. The 1931 death rate for the registration area was not available at the end of the fiscal year, but reports to the Public Health Service from 18 States, having an aggregate population of over 63,000,000, give a death rate of approximately 11 per 1,000 population.

Information collected from the United States and foreign countries as to the outbreaks of diseases dangerous to the public health and the current prevalence of quarantinable and other communicable diseases was made available to State and local health officers and other sanitarians as promptly as practicable.

The weekly Public Health Reports, the National Negro Health Week Bulletin and Poster, and other publications were made available during the year. Reprints from the Public Health Reports were issued on a smaller scale than in previous years due to the limited funds for printing.

The preparation of the volumes containing Federal and State laws and regulations pertaining to public health, enacted during the calendar years 1929 and 1930, was completed during the fiscal year, but, owing to depletion of the printing appropriation, will not be published. The material will be made available, however, by the publication of a list of citations. There were distributed 350,391 copies of publications, as compared with 528,257 during the fiscal year 1931. Several exhibits, designed to demonstrate the causes and methods of spread of diseases dangerous to the public health and measures for their prevention, were prepared. Among the subjects covered were infantile paralysis, pellagra, tularæmia, and milk sanitation.

A small amount of equipment for the production of motion pictures on health subjects and the display of motion-picture films, stereopticon slides, and other exhibit material was obtained during the year.

Division of Foreign and Insular Quarantine and Immigration

Quarantine transactions.—During the fiscal year, 18,048 vessels and 2,407,154 persons were inspected by quarantine officers as shown in the following table:

Inspections by quarantine officers during the fiscal year 1932

Inspections at—	Vessels	Passengers	Seamen
Stations in continental United States	13,256	718,596	998,471
Insular stations	2,619	122,617	205,146
Foreign ports, prior to embarkation	2,173	201,563	160,761
Total	18,048	1,042,776	1,364,378

In addition, 2,205 airplanes arrived at official air ports of entry in the United States from foreign ports requiring quarantine inspection. These planes carried 24,694 persons, 17,387 of whom were required to undergo medical examination, prior to entry, by medical officers of the Public Health Service.

Of the passengers who embarked at European ports, 26,564 were vaccinated and 10,190 were deloused under the supervision of medical officers of the service. Their clothing and baggage, amounting to 24,489 pieces, were disinfected.

A total of 2,455 vessels were fumigated either because of the occurrence of disease on board or for the destruction of rats, and 8,392 dead rats were retrieved following fumigation, of which 4,371 were examined for plague infection.

There was no importation of any quarantinable disease from abroad into the United States. One case of smallpox and 1 case of typhus fever reached our quarantine stations, and 2 cases of cholera occurred aboard a steamer arriving at Manila. In each instance appropriate measures were taken at the respective quarantine stations to prevent the introduction and spread of these diseases into the United States. Plague was reported to exist in the Islands of Hawaii and Maui during the fiscal year, and special measures were instituted against vessels arriving from ports in the infected areas at ports in the continental United States.

The cholera epidemic which began about May 1, 1932, in the vicinity of Shanghai and Canton began spreading southward and threatened to assume serious proportions. Special precautions were adopted to protect United States territory, particularly the Philippine Islands, against the introduction of this disease from China. Increased prevalence of smallpox was also reported in the Orient during the year, particularly in Shanghai, Hong Kong, and Amoy, and appropriate quarantine restrictions, including vaccination, were enforced against these ports.

Executive Order No. 5264, issued by the President on January 24, 1930, restricting for the time being the introduction of parrots into the United States, and the regulations promulgated thereunder, remained in force during the fiscal year. Consideration is now being given to the advisability of a further revision of these regulations specifically to include all birds of the parrot family and possibly impose some additional restrictive requirements, or place a complete embargo against the importation of all birds of the parrot family. The problem of the satisfactory control of psittacosis has become of international interest in the last few years, resulting in the appointment of a commission by the permanent committee of the International Office of Public Hygiene in Paris to make a study of this problem and to make recommendations. This disease has made its appearance in various parts of the world; and many countries, including almost all European countries, have promulgated regulations prohibiting the importation of birds of the parrot family. The commission has recommended that this temporary prohibition be maintained for the present and that the subject receive further study.

The special regulations relating to meningitis prescribed under the provisions of Executive Order No. 5143, approved June 21, 1929, restricting for the time being the transportation of passengers from certain ports in the Orient, remained in force during the fiscal year. Particular attention was given by quarantine officers at oriental ports of embarkation to regulations relating to the number of steerage passengers allowed to be carried under the navigation act of 1882, for the purpose of making appropriate notations on bills of health issued to these vessels for the information of quarantine officers at United States ports. There was a reported increased prevalence of meningitis in the Orient, especially in Hong Kong, Canton, and Macao, in the spring of the fiscal year, but this situation subsided without becoming definitely threatening.

The problem of sanitary control of aerial navigation, which has been receiving international attention for several years, finally culminated in a proposed international convention for the sanitary control of aerial navigation, which was prepared and presented by the permanent committee of the International Office of Public Hygiene in Paris in May, 1930. This proposed draft was presented during the year for the informal consideration and recommendations of various interested governments, and the comments and recommendations submitted by responding governments received the further consideration of the permanent committee at its meeting in Paris in April, 1932. It is anticipated that the revised draft of the convention will soon be formally presented to the various interested governments for artification.

Medical examination of aliens.—There were 372,802 alien passengers and 897,788 alien seamen examined by medical officers at the various stations. Of this number, 15,115 passengers and 1,367 seamen were "certified" to the proper immigration officials as being afflicted with a mental or physical defect, in accordance with the act of Congress approved February 5, 1917. The most important causes of certification of alien passengers were: Trachoma, 346; tuberculosis, 119; feeble-mindedness, 96; insanity, 85; syphilis, 273; gonorrhea, 394. Of the alien seamen, 39 were certified for trachoma, 7 for tuberculosis, 146 for syphilis, 162 for chancroid, and 332 for gonorrhea.

During the year Public Health Service procedure was modified relative to the certification by medical officers of the detectability of conditions making aliens inadmissible into the United States by competent medical examination performed at time of embarkation or employment on board. This change was the result of a joint conference between representatives of the Bureau of Immigration and the Public Health Service to bring the practice into accord with recent court decisions interpreting the immigration laws, and it is anticipated that the new procedure will serve greatly to reduce potential litigation based upon such cases.

Examination of prospective immigrants abroad.—There were 42,831 applications for immigration visas examined by medical officers in foreign countries. Of this number, 26,560 were examined by medical officers of the Public Health Service attached to American consulates in Europe, and the remainder, 16,271, were examined by medical officers of the service attached to American consulates in the Western Hemisphere. Of the number examined in Europe, 851 were reported by these officers to the American consuls as afflicted with one or more of the diseases listed in class A as mandatorily excludable, and 6,278 were reported as afflicted with a disease or condition listed in class B as liable to affect their ability to earn a living. Of the number examined by medical officers of the Public Health Service in their countries of origin in the Western Hemisphere, 162 were reported to consular officers as afflicted with one or more of the diseases listed under class A, and 1,788 were reported as afflicted with a disease or condition listed in class B.

Of 38,375 aliens who had been given a preliminary medical examination in foreign countries and to whom visas had been issued, only 7 were certified upon arrival at a United States port as being afflicted with class A diseases, requiring mandatory deportation.

Due to the economic conditions prevailing in the United States, the number of immigration visas granted during the year to prospective immigrants abroad was greatly reduced. Because of this it was possible to reduce the personnel engaged in the performance of the medical examination of aliens in foreign ports.

Division of Domestic Quarantine

The Public Health Service in cooperation with the State health agencies inspected and controlled more than 92 per cent of the 2,360 sources of drinking water used by railroads and bus lines, 95 per cent of the 242 sources used by vessels, and 85 per cent of the 120 sources used by airplane carriers. Through the assistance of municipal health agencies, 2,845 samples of drinking water taken from common

carriers were examined and, with few exceptions, found to comply with the Treasury Department standards. Inspections of water supply systems were made on 1,096 vessels engaged in interstate traffic, or 57 per cent of those in active service. Continued improvement in railway-yard sanitation was noted during the year.

There was a considerable extension in the public health engineering services rendered other branches of the Government, such services requiring, during the year, over 34 per cent of the time of the engineers. This service has not only included surveys, demonstrations, review of plans and advice, but also the designing of water, sewage, and garbage disposal devices. Of the time devoted to this cooperative service, approximately 83 per cent was spent in connection with various problems of the Office of Indian Affairs, National Park Service, Supervising Architect's Office, Forest Service, and the Bureau of Prisons. Assistance in special problems was given the Lighthouse Service, Bureau of Mines, Bureau of Plant Industry, Bureau of Roads, Coast Guard, Engineer Corps, Food and Drug Administration, and Reclamation Service.

Cooperative rural health demonstrations were carried on in 144 projects in 28 States, exclusive of the temporary projects undertaken in connection with relief in the drought-stricken areas. The annual survey conducted by the Public Health Service showed that on January 1, 1932, there were in the United States 615 counties with full-time health service, as compared with 557 on the same date of the preceding year. A special feature of the regular cooperative work on rural sanitation included the inauguration of advisory service to State health departments on methods of local administration in the fields of child and maternal health and environmental sanitation. Many of the States took advantage of the availability of this service, with the result that improvements were made in the organization of State supervision over the work, with a corresponding improvement in content and character of the activities of the local units.

The trachoma eradication work was continued in cooperation with State authorities in Missouri, Kentucky, Tennessee, and Georgia. Physicians and nurses employed jointly by the Public Health Service and the States examined 91,603 individuals in schools, homes, clinics, and dispensaries. More than 23,797 treatments, including 1,115 operations, were given to 6,761 cases seen. This work undoubtedly has prevented thousands of cases of blindness which would have become a burden to the public. There is ample evidence that the prevalence of trachoma, in the areas where it is endemic, is slowly but consistently being reduced.

Plague-eradication activities in California included rodent surveys, trapping operations, sanitary inspections, and laboratory examinations similar to those conducted in the past. Examinations were made of approximately 31,665 rats trapped by local authorities in San Francisco and Oakland. Rat plague reappeared in one coastal city, but no human case was reported.

Division of Scientific Research

The cancer studies being carried on both at the National Institute of Health and the Harvard Medical School are a continuation of the research program begun during the preceding fiscal year. At the

Harvard Medical School they have been largely related to studies of the biological effects of radiation and of immunity and susceptibility to malignant growths.

Investigations of heart disease were begun in July, 1931. Preliminary laboratory investigations have been related to a study of rheumatic heart disease.

The leprosy investigations in the Territory of Hawaii have included, in addition to the routine medical relief given to the patients, (1) an investigation of the therapeutic effect of diet, (2) an epidemiological survey of the disease in Hawaii, (3) research work on the isolation and growth of the bacillus of leprosy, and (4) an attempt to determine the effects of poorly balanced diets on rat leprosy.

In July, 1931, a study was begun of the transportation of mosquitoes by airplanes arriving from tropical countries, a matter involving danger not only in the possible introduction of yellow fever by means of infected mosquitoes, but in the introduction of new species of insects not indigenous to the United States. The establishment of a new vector of malaria in the United States would greatly increase the problem of malaria control.

With the knowledge acquired through the pellagra studies of the Public Health Service, pellagra has been practically eliminated from most of the institutions and other communities of the South where the diet is capable of regulation by central authority. The work now in progress is directed toward a termination of this activity through the simplification of control measures and the determination of the relative pellagra-preventive potency of the foodstuffs most easily and cheaply produced at home and which may be made available during the late winter and early spring when the diet normally is most restricted.

Following the report of a case of human plague in Hawaii, the Territorial health authorities instituted plague-suppressive measures and requested the assistance of the Public Health Service in the control and eradication of bubonic plague in the islands. A medical officer has been detailed to this work to determine the extent of the infection as to both the area involved and the infestation of animals within that area. In addition, the usual suppressive measures, a flea survey and a measure of flea infestation of rats, have been undertaken.

Because of increasing demands, the manufacture and distribution of the vaccine for the prevention of Rocky Mountain spotted fever continues to be the most important phase of the work of the Rocky Mountain spotted-fever laboratory at Hamilton, Mont. During the fiscal year 1932 there was a 75 per cent increase in the demand for this vaccine over that for the preceding fiscal year.

In connection with the purchase of the Hamilton laboratory building from the State of Montana, the Public Health Service on July 1, 1931, took over the tick parasite studies previously conducted by the State.

Studies of child hygiene have included a study of children of psychotic parents and the mental status of children of various types of birth. Other investigations were related to the hearing and vision of school children.

Dental studies were begun in September, 1931, with the assignment of a dental officer to work on the problem of the distribution of

mottled enamel in the United States, which may also throw some light on the problem of dental caries. At present mottled enamel has been reported in 24 States.

A study of air pollution is being made in 14 representative cities in the United States for the purpose of obtaining basic data as to the presence in the air of soot, ash, sulphur, lead, iron, and carbon monoxide in the average city in this country.

An investigation of industrial skin diseases is in progress, the following industries having been covered so far: Rubber, dyeing of silk, wool and fur, oil refineries, and candy making.

Activities of the office of milk investigations have included studies of the bactericidal treatment of containers and equipment in connection with milk production, processing, and distribution, studies of the public health significance of milk cooling, studies of the value of chlorine disinfection of udders and hands as compared with simple cleansing, studies of the relative value of the direct microscopic count, the standard plate count, and the methylene blue reductase test as measures of milk sanitation, studies of the effect of heating upon the growth-promoting characteristics of cow's milk, and studies of the extent of pasteurization and tuberculin testing in American cities of 10,000 population and over in 1927 and 1931.

The office of statistical investigations has been tabulating data on the incidence and cost of illness in about 9,000 families in 17 States and the District of Columbia. An incidence of 850 illnesses per 1,000 population per year was recorded. Of the cases serious enough to cause the patient to go to bed for one or more days, there were 461 per 1,000 persons per year or 52 per cent; and of those that caused the patient to lose time from his usual work or school there were 545 per 1,000 persons per year or 61 per cent.

During the year there were summed up the experimental evidence and the more important conclusions developed from research studies in water purification and natural stream purification upon which the stream pollution laboratory has been engaged in recent years. It has appeared advisable to give increased consideration to the subject of sewage treatment, and in furtherance of this plan an experimental activated sludge treatment plant is being constructed for the research study of certain of the biochemical and biological factors operative in this method of sewage purification.

Studies of public health methods have included a survey of the health needs of people living in rural areas and the manner in which an average small county health department is meeting these problems and the work of the health department personnel from the administrative point of view.

Following the discovery in 1931 that rat fleas taken on premises where cases of endemic typhus were occurring contained the virus of the disease, laboratory studies have been carried out to determine the behavior of the virus in the flea and the exact mechanism of transmission from rat to rat. Under experimental conditions endemic typhus is readily transmitted from rat to rat by means of fleas when the fleas are allowed free access to the rat. Late in the fiscal year it was found that a vaccine prepared from an emulsion of typhus-infected fleas conferred some immunity upon guinea pigs.

Epidemiological studies of Rocky Mountain spotted fever (eastern type) have shown that the disease is present in Maryland, Virginia,

District of Columbia, New Jersey, Delaware, Pennsylvania, North Carolina, South Carolina, Georgia, Louisiana, Minnesota, and possibly Tennessee. Efforts to determine the presence of spotted fever in wild rodents and ticks obtained from their normal habitats were without success. However, in prosecuting this work an infection was recovered which in some ways simulated Rocky Mountain spotted fever in laboratory animals.

Undulant fever has been reported from 44 States and the District of Columbia. There were 1,572 cases officially reported during this year. Observations at a State sanatorium for tuberculosis have revealed that undulant fever may be mistaken for early tuberculosis. Investigations as to the methods of transmission have confirmed previous reports that there is no evidence of transmission of the disease from person to person or by "carriers."

Early in December, 1931, an outbreak of psittacosis occurred in California. Investigations have shown that the disease is present in the parrakeet-breeding aviaries of southern California.

Since the outbreak of multiple neuritis, or "ginger paralysis," studies have been conducted on the pharmacology of phenol esters. Twelve phenol esters were studied during the past year. Of all the esters so examined, only the thio-phosphoric ester and the phosphorus acid ester of ortho-cresol have been found to share to any extent in the specific action of tri-ortho cresyl phosphate. Moreover, the phosphorus acid ester of ortho-cresol has been found to produce in the experimental animal a condition of extensor rigidity in many ways analogous to decerebrate rigidity, this being associated with combined degeneration of the nervous system with more or less specific involvement of certain well defined afferent and efferent tracts.

The building program of this division includes two additional buildings on the present site of the National Institute of Health, to be used as administration and laboratory buildings, respectively, which are now under construction, a laboratory building at Hamilton, Mont., for use in connection with Rocky Mountain spotted-fever studies, plans for which were practically completed at the end of the fiscal year, and a laboratory building on the site of the new marine hospital at San Francisco, Calif., where studies of mycotic diseases and plague work will be carried on.

Division of Marine Hospitals and Relief

A total of 343,054 beneficiaries applied at the marine hospitals and other relief stations for treatment or other medical services; 1,734,508 hospital days and 972,110 out-patient treatments were furnished; and 76,179 physical examinations were made for purposes other than treatment. One thousand two hundred and eleven deaths occurred in hospital. The per diem cost for the National Leper Home was $3.30, and at the tuberculosis hospital, Fort Stanton, N. Mex., $3.86. The average cost of operation in the other 23 marine hospitals, all of which are general hospitals for acute medical and surgical patients, was $3.81 per patient per day, which covers all maintenance and other related expenses. This is considered a very low cost compared with costs of private hospitals not operated for profit. Further evidence of economy is found in the fact that $293,793 was saved out

of the annual appropriation, 1932, and returned to the general treasury.

Cooperation was continued with the Veterans' Administration, to whose patients all available beds were devoted in Portland (Me.), Savannah, Key West, Buffalo, Cleveland, Detroit, Pittsburgh, Evansville, Louisville, and Galveston, in which ports the marine hospital is the only Government hospital. The enlarged facilities in the marine hospitals in New Orleans, San Francisco, Baltimore, Mobile, and Norfolk will, at least until the normal movements of ships are resumed, alleviate the building needs of the Veterans' Administration.

Division of Venereal Diseases

Important studies were carried on in the venereal disease laboratory at Stapleton, Staten Island, N. Y., on personal prophylaxis of syphilis, on the biology of the *Treponema pallidum* and the reputed transition forms of this organism which are expected to shed considerable light on the efficacy of personal prophylaxis and the more or less prolonged periods of latency observed in syphilis. Reports on this work are nearing completion.

Research on the use of biologic products in the treatment of gonorrhea conducted at Chicago, Ill., indicate that the more refined gonotoxin fractions and the specific chemotherapeutical measures seem to hold more promise than vaccines and serums in the control of this disease. These studies had to be suspended at the close of the year so that relatively more promising studies already under way may continue.

Investigations into the malaria treatment of neurosyphilis have been developed along scientific lines which include methods of transporting infectious material for therapeutic use under varying conditions of temperature, time, and distance, and cooperative studies in service hospitals on the malaria treatment of beginning neuro involvement shown by routine spinal-fluid examinations, in the attempt to prevent the development of later crippling manifestations in the service beneficiaries necessitating hospitalization.

Continued assistance has been given the division of mental hygiene, and the Office of Indian Affairs, Department of the Interior, toward improving the quality of antiluetic treatment in Federal penal and correctional institutions and the organization of effective syphilis control measures among Indians.

There has been a marked increase in the number of applicants for treatment in the venereal disease clinic conducted in Hot Springs, Ark. A large number of these applicants appeared to be of a higher type than those who sought free treatment in this clinic when economic conditions were more normal.

Investigations on the prevalence of the venereal diseases in the general population, first started in 1926, were extended during the year to include three additional cities—San Francisco, Calif., Birmingham, Ala., and Dallas, Tex.

Studies on the mass control of syphilis among Negroes were brought to a close during the year because of the withdrawal of further cooperative financial assistance. The results of these demonstrations clearly indicate that this method of control is effective and applicable among Negroes in southern rural areas.

Division of Mental Hygiene

The year ended June 30, 1932, marks the second full 12 months' activities of the division of mental hygiene in the office of the Surgeon General. The activities of the division during the past fiscal year have been concerned with special studies of the nature of narcotic drug addiction, of the abusive uses of narcotic drugs, of the quantities necessary for the medicinal and scientific needs of the country, and with administrative duties incident to the establishment of the United States narcotic farms and the supervision and furnishing of medical, psychiatric and technical services for Federal prisons.

Special studies of the nature of narcotic drug addiction have been continued at the United States Penitentiary Annex, Fort Leavenworth, Kans. Collection of data concerning the medico-social aspects of drug addiction has been conducted, and special studies have been undertaken with reference to the legal distribution of narcotic drugs to registrants under the Federal narcotic laws.

Plans for the construction of the necessary buildings at the first United States Narcotic Farm, Lexington, Ky., had progressed to the extent of contracting for the building of the foundations. Construction began in January, 1932.

The service continued to supervise and furnish the medical and psychiatric services in Federal penal and correctional institutions, the work being extended to include three additional institutions during the fiscal year, the Federal correctional camp, Fort Eustis, Va., on January 1, 1932; and the Federal jail, New Orleans, La., and the Federal detention farm, La Tuna, Tex., on March 1, 1932.

Division of Personnel and Accounts

Personnel.—On July 1, 1932, the regular commissioned corps of the Public Health Service consisted of the Surgeon General, 8 assistant surgeons general, 42 medical directors, 1 pharmacologist director in the grade of medical director, 29 senior surgeons, 1 senior dental surgeon, 1 senior sanitary engineer in the grade of senior surgeon, 88 surgeons, 13 dental surgeons and 11 sanitary engineers in the grade of surgeon, 66 passed assistant surgeons, 7 passed assistant dental surgeons, and 5 passed assistant sanitary engineers in the grade of passed assistant surgeon, 52 assistant surgeons, 18 assistant dental surgeons, 4 assistant sanitary engineers, and 10 assistant pharmacists, all in the grade of assistant surgeon—a total of 357 commissioned officers. Of this number, 4 medical directors, 12 senior surgeons, 8 surgeons, 2 passed assistant surgeons, and 1 assistant surgeon were on waiting orders.

The number of reserve officers on active duty on July 1, 1932, was 29. This number included 6 surgeons, 1 dental surgeon, 11 passed assistant surgeons, 1 passed assistant dental surgeon, 5 assistant surgeons, and 5 assistant dental surgeons.

Other personnel of the service on July 1, 1932, included 732 acting assistant surgeons, 426 attending specialists and consultants, 42 contract dental surgeons, 99 internes, 18 pharmacists, 34 scientific employees, National Institute of Health, 31 administrative assistants, 18 druggists, 672 nurses, 36 aides, 29 dietitians, 35 laboratorians, 37

pilots, 38 marine engineers, 364 clerks, 3,040 other field employees, 201 departmental employees—a total of 6,238. This does not include 4,606 appointees designated as collaborating epidemiologists and assistant collaborating epidemiologists, who serve at nominal compensation, and who assist in the collection of statistics relating to the prevalence of communicable diseases, being for the most part officers or employees of State and local health organizations.

Financial statement.—Following is a statement of appropriations and expenditures for the fiscal year 1932:

Appropriation title	Appropriated	Expended
Salaries, office of Surgeon General	$340, 135. 00	$338, 347. 33
Pay, etc., commissioned officers and pharmacists	1, 437, 518. 00	1, 418, 763. 55
Pay of acting assistant surgeons	397, 984. 00	362, 394. 21
Pay of other employees	1, 122, 090. 00	1, 081, 421. 82
Freight, transportation, etc	29, 000. 00	27, 709. 46
Maintenance, National Institute of Health	48, 000. 00	46, 760. 90
Books	500. 00	496. 87
Pay of personnel and maintenance of hospitals	[1] 8, 063, 768. 00	7, 709, 983. 28
Quarantine service	617, 150. 00	466, 006. 47
Preventing the spread of epidemic diseases	400, 000. 00	293, 894. 79
Field investigations of public health	453, 700. 00	443, 827. 88
Interstate quarantine service	68, 040. 00	66, 091. 38
Studies of rural sanitation	338, 000. 00	335, 700. 00
Studies of rural sanitation, drought stricken areas	[2] 1, 611, 372. 69	1, 598, 130. 95
Control of biologic products	46, 620. 00	44, 937. 45
Expenses:		
Division of Venereal Diseases	100, 000. 00	89, 207. 34
Division of Mental Hygiene	50, 515. 00	47, 973. 94
Educational exhibits	2, 500. 00	2, 222. 74
Total	[3] 15, 126, 892. 69	14, 373, 870. 36

[1] Includes $1,396,259 reimbursement for care and treatment of beneficiaries of the Veterans' Administration.
[2] Balance available July 1, 1931, out of $2,000,000 appropriated for 1931 and 1932.
[3] Statement does not include expenditure of $1,166.60 from trust fund for National Institute of Health conditional gift fund.

Expenditures from allotments of funds from other bureaus and offices for direct expenditure during the fiscal year 1932 were as follows:

Appropriation title	Allotted	Expended
Veterans' Administration: Salaries and expenses	$1, 408, 982. 60	$1, 408, 982. 60
District of Columbia: Mosquito control in District of Columbia	6, 500. 00	5, 943. 84
Department of Justice:		
Federal Industrial Institute for Women	45, 360. 00	30, 111. 87
Federal jails	12, 878. 00	9, 422. 61
Prison camps	24, 870. 00	23, 564. 45
United States Industrial Reformatory, Chillicothe, Ohio	44, 530. 00	41, 114. 11
United States Penitentiary, Atlanta, Ga	57, 080. 00	56, 643. 61
United States Penitentiary, Atlanta, Ga., buildings and equipment	34, 920. 00	33, 446. 56
United States Penitentiary, Leavenworth, Kans	101, 213. 00	94, 137. 70
United States Penitentiary, McNeil Island, Wash	58, 502. 00	51, 509. 12
Total, Department of Justice	379, 353. 00	339, 950. 03
Grand total	1, 794, 835. 60	1, 754, 876. 47

The revenues derived from operations of the Public Health Service during the fiscal year 1932 and covered into the Treasury as miscellaneous receipts are as follows:

Source of revenue:	Amount
General fund receipts—	
Quarantine charges	$290,168.03
Hospitalization charges and expenses	38,630.67
Sale of subsistence	13,049.62
Laundry service	62.70
Sale of occupational therapy products	339.97
Sale of obsolete, condemned, and unserviceable equipment	2,392.45
Rents	239.48
Reimbursement for Government property lost or damaged	192.92
Commissions on telephone pay stations installed in service building	1,343.01
Sale of refuse, garbage, and other by-products	1,398.11
Sale of livestock and livestock products	278.96
Other revenues	128.95
Total, general fund receipts	348,224.87
Trust fund receipts—	
Effects of deceased patients	7,468.08
Grand total	355,692.94

SECRET SERVICE DIVISION

During the fiscal year 1932, 2,139 persons were arrested by agents of the service, or by their direction, on charges involving counterfeiting of the obligations and coins of the United States and forgery, as well as miscellaneous offenses against the Federal statutes relating to the Treasury Department. Of this number, 839 were note counterfeiters and note passers, 119 were note raisers and passers of altered currency, 625 were coin counterfeiters and coin passers, 440 were check forgers, 23 were apprehended for negotiating stolen or forged bonds, 17 were held for violating the World War adjusted compensation act, and 93 arrests were made for miscellaneous offenses.

Seventeen new counterfeit note issues, warranting distribution of descriptive warning circulars, were detected during the year, exclusive of approximately 70 unidentified productions of varying types and denominations circulated in different sections of the country for short periods, some being hand-drawn and photographic specimens of extremely crude workmanship.

Counterfeit notes aggregating $540,538 and altered notes aggregating $24,215 were captured or seized by operatives of the service, and counterfeit coins totaling $49,773 were also confiscated in connection with raids and subsequent arrests. The counterfeit notes captured during the year were largely used in evidence against the makers and passers. In connection with investigations and arrests, agents captured or seized 960 plates and glass and film negatives for printing counterfeit obligations and securities, including 5 plates for foreign notes; 359 molds for counterfeiting coins, including 3 molds for foreign coins; and 21 dies, together with a large quantity of miscellaneous materials and paraphernalia.

Of the total number of persons arrested during the year, 1,183 were convicted and sentenced, 68 were acquitted, 580 are awaiting action of the courts, while others were variously disposed of.

Agents conducted investigation of 1,542 check cases, 62 bond cases, and 9 war savings stamp cases. In the check case investigations, the sum of $3,593 was received and transmitted to the department in restitution.

The Veterans' Administration during the year forwarded to the service for investigation 293 cases, involving violation of the World

War adjusted compensation act and 5 requests were received from the Farm Loan Board for investigation of offenses against the farm loan act. Inquiries in 182 cases by the General Supply Committee for information concerning prospective bidders on Government supplies were received during the year and assigned to field agents for appropriate investigation.

OFFICE OF THE SUPERVISING ARCHITECT

Public building program

During the fiscal year 1932 the Office of the Supervising Architect has been intensively engaged on the program of building construction authorized by the so-called Keyes-Elliott Act, approved May 25, 1926, and the several amendatory acts of Congress enlarging the program thereby initiated. This work has constituted the major function of the office during the period indicated. In addition, however, the office has performed its other normal functions, including the supervision of the remodeling, enlarging, maintenance, and repair of the public buildings throughout the country, totaling more than 1,500 in number, which are continuously under the control of the office.

Under the original Keyes-Elliott bill and its several amendments there had been authorized, up to June 30, 1932, a public building program amounting to $633,296,794, plus $69,000,000, the latter amount representing the estimated proceeds of sale of obsolete public buildings in various sections of the country. Under this authority Congress had, up to June 30, 1932, specifically authorized 817 building projects and appropriated for land in the District of Columbia, involving a total limit of cost of $499,397,619.28. The following tabulation indicates the status of work as of June 30, 1932, under these specific authorizations or appropriations.

Status of work in the Office of the Supervising Architect

	Limit of cost
Completed, 206 projects	$67, 623, 596. 06
Under contract (in whole or in part) 359 projects	307, 416, 600. 00
Bids in, on market, or in specification stage, 118 projects	53, 675, 023. 22
In drawing stage:	
Supervising Architect, 44 projects	5, 324, 400. 00
Private architects, 62 projects	26, 018, 000. 00
Land owned, ready for drawings, 3 projects	595, 000. 00
Sites selected, title not vested, 6 projects	1, 780, 000. 00
Sites advertised for, examined, and awaiting selection, 4 projects	1, 585, 000. 00
Held for amended legislation or other reason, 15 projects	6, 700, 000. 00
Sites purchased in the District of Columbia	27, 522, 522. 75
Balance available for sites in the District of Columbia	1, 157, 477. 25
Total	499, 397, 619. 28

Emergency relief program.—Since the close of the fiscal year the emergency relief and construction act of 1932, appropriating an additional $100,000,000 for public building projects, was passed. These projects are to be selected from projects specified in House Document 788, Seventy-first Congress, third session, the last report of the Secretary of the Treasury and the Postmaster General, dated

February 27, 1931, listing all buildings and enlargements of existing buildings outside the District of Columbia recommended under the public building program. Four hundred and ten public building projects scattered throughout the United States have been selected from this document by the Secretary of the Treasury and the Postmaster General to be prosecuted under this appropriation. Advertisements for proposals for the sale of land as sites for 125 of these projects have already been published and the entire number will be opened by December 5, 1932. Offers of properties as sites for more than 100 of these projects are now in the hands of site agents for inspection of the properties.

This appropriation is not included in the figures for specific authorizations and appropriations shown in this report since the act was passed after the close of the fiscal year. The details for the fiscal year and to date on general authorizations, specific authorizations, contracts awarded and expenditures under the public building program are presented in the following pages.

General authorizations.—Total general authorizations of the Congress under the Keyes-Elliott Act and earlier acts covering this program are shown in the following table. These general authorizations include authorizations for buildings and sites.

General authorizations for public building program

Total general authorizations for all buildings, extensions, etc., up to June 30, 1932, including all land authorizations outside of the District of Columbia and certain ones in the District of Columbia, also $69,000,000 expected to be realized from the sale of property now owned by the Government	$649, 000, 000
Authorization for purchase of triangle site in the District of Columbia	40, 000, 000
Authorizations prior to May 25, 1926	13, 296, 794
Total general authorizations to June 30, 1932	702, 296, 794

Specific authorizations of projects.—The part of the above general authorizations which had been authorized or appropriated for use in specific projects by the Congress at a definite limit of cost for each project up to June 30, 1932, is shown in the following table:

Number and amounts of specific authorizations for buildings and land, and appropriations for land purchases up to June 30, 1932, under the public building program and prior authorization

	Number of projects	Amount
Authorizations for specific projects outside of the District of Columbia up to June 30, 1932, including all land site authorizations	796	$369, 148, 118. 07
Authorizations for specific projects in the District of Columbia including certain, but not all, land site authorizations up to June 30, 1932	21	101, 569, 501. 21
Total specific authorizations exclusive of certain land site appropriations in the District of Columbia to June 30, 1932	817	470, 717, 619. 28
Specific appropriations for certain additional land sites in the District of Columbia	(1)	28, 680, 000. 00
Total specific authorizations and appropriations for buildings and land sites to June 30, 1932		499, 397, 619. 28

[1] Since sites in the District of Columbia are purchased in small parcels, it is not feasible to indicate the number of sites purchased.

Contracts.—The following tabulations show, in summarized form, the value of contracts awarded, both for land and construction, under the specific public building authorizations and appropriations hereinbefore referred to:

Contracts awarded during the fiscal year 1932:	
Outside the District of Columbia—	
Buildings	$87, 608, 926. 62
Land	15, 818, 243. 26
Buildings under prior authorization	115, 808. 47
In the District of Columbia—	
Under public building program authorization	36, 821, 051. 96
Under prior authorization	430, 712. 00
Total	140, 794, 742. 31
Obligations for triangle site in District of Columbia, assumed during the fiscal year 1932	4, 007, 532. 02
Total contracts awarded and land obligations assumed during the fiscal year 1932	144, 802, 274. 33
Contracts awarded to June 30, 1932:	
Outside District of Columbia	245, 360, 216. 45
In the District of Columbia	74, 290, 665. 13
Total	319, 650, 881. 58
Obligations for triangle site in District of Columbia, assumed up to June 30, 1932	27, 522, 522. 75
Total contracts awarded and land obligations assumed up to June 30, 1932	347, 173, 404. 33
Balance specifically authorized but yet to be placed under contract	151, 066, 737. 70
Balance specifically appropriated but yet to be obligated for purchase of sites in District of Columbia	1, 157, 477. 25
Total amount unobligated for land and buildings	152, 224, 214. 95

Among the contracts awarded during the fiscal year 1932 were the following large building projects:

	Amount
Outside the District of Columbia:	
Atlanta, Ga., post office	$1, 534, 351. 00
Baltimore, Md., marine hospital	809, 900. 00
Chattanooga, Tenn., post office and courthouse	813, 600. 00
Chicago, Ill., post office	13, 459, 970. 00
Detroit, Mich., post office	3, 127, 213. 00
Fort Wayne, Ind., post office	503, 000. 00
Fort Worth, Tex., post office	1, 017, 000. 00
Hartford, Conn., post office	903, 225. 00
Knoxville, Tenn., post office	932, 950. 00
Little Rock, Ark., post office	802, 600. 00
Louisville, Ky., post office	1, 507, 700. 00
Miami, Fla., post office	1, 032, 472. 00
Montgomery, Ala., post office	736, 650. 00
Newark, N. J., post office	2, 868, 000. 00
New York, N. Y., parcel post building	5, 233, 231. 00
Pittsburgh, Pa., post office	4, 596, 000. 00
Portland, Oreg., courthouse	1, 126, 000. 00
Sacramento, Calif., post office	842, 890. 00
Seattle, Wash., Federal office building	1, 294, 000. 00
Sioux City, Iowa, post office	550, 245. 00
South Bend, Ind., post office	685, 800. 00
Topeka, Kans., post office	608, 900. 00
Trenton, N. J., post office	749, 500. 00

District of Columbia:

Department of Agriculture Extensible Building (additional wings)	$5,380,000.00
Labor-Interstate Commerce Commission Building, connecting wing	1,741,000.00
Interstate Commerce Commission Building	3,600,000.00
Department of Justice Building	7,667,000.00
Department of Labor Building	3,740,000.00
Post Office Department Building	7,642,000.00
Post Office extension	2,999,000.00

Expenditures and outstanding contract obligations.—Of the $499,397,619.28 specifically authorized or appropriated as of June 30, 1932, $347,173,404.33 in the aggregate had been obligated to that date. Expenditures have been made under these obligations to the amount of $229,411,699.66, including expenditures for the fiscal year 1932 amounting to $85,896,407.12. Expenditures in 1932 included $73,450,617.88 for the country at large and $12,445,789.24 for the District of Columbia.

Sites.—The situation with respect to land purchases may be summarized as follows:

Status of sites as of June 30, 1932

Sites	Amount
Outside the District of Columbia:	
Acquired previous to June 30, 1931	$48,971,961.91
Acquired during the fiscal year 1932	25,501,210.19
Proposal accepted	1,822,726.08
Total	76,295,898.17
In the District of Columbia:	
Expenditures to June 30, 1931	27,692,031.13
Expenditures during the fiscal year 1932	4,922,453.52
Total	32,614,484.65

Contracts for outside professional services.—Under the authority of the Keyes-Elliott Act (March 31, 1930) which authorized the employment of outside architects for full professional services, contracts were made with 172 additional architects in the fiscal year, bringing the total to 250 for projects amounting to $248,772,023.22.

Remodeling and enlarging public buildings

Under the $500,000 appropriated for remodeling and enlarging public buildings, 65 buildings received attention, under a total obligation of $496,752.57, during the fiscal year, the limit of expenditure for any one building being $25,000.

The total space gained under these operations was 72,672 square feet, at $6.83 per square foot.

Annual appropriations for maintenance, repairs, etc., of public buildings

The 1932 appropriations for operating force, operating supplies, repairs and preservation, mechanical equipment, furniture and furniture repairs, and vaults and safes, aggregated $15,602,800. The Office of the Supervising Architect has charge of 1,502 courthouses,

post offices, customhouses, etc., and 58 quarantine stations and marine hospitals, making a total of 1,560 buildings throughout the country, to which new buildings and extensions are added every year. The expenditures under these appropriations increase accordingly and practically the entire appropriations have been expended.

Total expenditures

Total expenditures for all purposes for the Office of the Supervising Architect during the fiscal year 1932, together with outstanding contract liabilities and remaining unencumbered balances of appropriations, are shown in the following table:

Expenditures from July 1, 1931, to June 30, 1932, contract liabilities charged against appropriations, and unencumbered balances

	Expenditures	Contract liabilities charged against appropriation	Unencumbered balances, June 30, 1932
Statutory roll	$662, 419. 87	$115. 56	$42, 065. 47
Sites and additional land	30, 423, 663. 71	2, 018, 492. 08	1, 220, 647. 25
Construction of new buildings	47, 298, 598. 19	110, 904, 482. 42	4, 877, 086. 54
Extension to buildings	8, 358, 635. 60	8, 954, 725. 94	475, 948. 39
Miscellaneous special items	147, 670. 44	126, 813. 70	24, 195. 04
Unallotted appropriation (lump sum)			658, 661. 99
Remodeling and enlarging public buildings	453, 088. 62	306, 512. 99	970. 04
Lands and other property of the United States	159. 64		954. 96
Repairs and preservation of public buildings	1, 282, 388. 99	276, 078. 67	[1] 468, 465. 44
Mechanical equipment for public buildings	630, 471. 70	167, 271. 38	27, 156. 41
Vaults and safes for public buildings	142, 241. 04	83, 317. 27	12, 223. 07
Furniture and repairs to same for public buildings	1, 334, 027. 04	264, 340. 61	8, 995. 66
Operating supplies for public buildings	2, 983, 443. 35	426, 544. 07	[2] 347, 906. 72
General expenses for public buildings	5, 822, 285. 36	71, 439. 19	[3] 158, 049. 72
Rent of temporary quarters	1, 345, 482. 15	177, 420. 88	[4] 683, 277. 57
Outside professional services	4, 222, 766. 32	798, 771. 60	
Operating force for public buildings	8, 491, 109. 90	1, 028, 323. 59	135, 895. 42
Total	113, 598, 451. 92	125, 601, 652. 95	9, 142, 499. 69

[1] Includes $50,000 reserve, 1932.
[2] Includes $100,000 reserve, 1931; $20,000, 1932.
[3] Includes $8,000 reserve, 1932.
[4] Includes $200,000 reserve, 1931.

The following table shows the total expenditures to June 30, 1932, for all purposes for buildings under the control of the Treasury Department:

Classification of public buildings under the control of the Treasury Department, by titles, showing expenditures in each class to June 30, 1932, prepared pursuant to act approved June 6, 1900 (31 Stat. 592)

	Construction	Extensions, alterations, and special items	Annual repairs	Total expenditures, June 30, 1932
Post-office, courthouse, customhouse buildings, etc	$128, 480, 114. 24	$29, 124, 971. 36	$20, 257, 619. 19	$177, 862, 704. 79
Courthouse buildings	1, 061, 252. 20	509, 155. 34	547, 205. 60	2, 117, 613. 14
Customhouse buildings	24, 102, 957. 00	3, 483, 404. 95	2, 726, 777. 39	30, 313, 139. 34
Marine hospital buildings	10, 915, 639. 43	3, 779, 575. 15	3, 867, 720. 29	18, 562, 934. 87
Post-office buildings	114, 431, 397. 74	7, 017, 442. 04	12, 189, 880. 35	133, 638, 720. 13
Quarantine station buildings	3, 443, 606. 96	2, 416, 424. 11	1, 777, 046. 33	7, 637, 077. 40
Veterans' hospital buildings	493, 355. 47	369, 076. 52	104, 010. 20	966, 442. 19
Miscellaneous buildings	73, 004, 031. 73	5, 354, 128. 83	6, 297, 221. 42	84, 655, 381. 98
Total	355, 932, 354. 77	52, 054, 178. 30	47, 767, 480. 77	455, 754, 013. 84

Classification of public buildings under the control of the Treasury Department by titles, showing expenditures in each class to June 30, 1932, prepared pursuant to act approved June 6, 1900 (31 Stat. 592)—Continued

	Cost of sites	Outstanding liabilities chargeable against appropriations		Unencumbered balance of appropriations
		Sites	Buildings	
Post-office, courthouse, customhouse buildings, etc.	$45, 422, 216. 65	$144, 693. 00	$35, 127, 776. 14	$471, 871. 61
Courthouse buildings	4, 241, 474. 69	9, 360. 00	1, 715, 777. 63	33, 271. 43
Customhouse buildings	3, 886, 922. 33		21, 215. 88	10, 254. 90
Marine hospital buildings	889, 238. 97		3, 630, 872. 53	139, 093. 08
Post-office buildings	63, 043, 186. 90	1, 623, 561. 08	36, 731, 602. 54	1, 001, 937. 61
Quarantine station buildings	328, 837. 60		87, 480. 93	92, 787. 92
Miscellaneous buildings	53, 987, 660. 21	240, 878. 00	42, 671, 296. 41	4, 848, 660. 67
Unallotted appropriation (lump sum)				658, 661. 99
Total	171, 799, 537. 35	2, 018, 492. 08	119, 986, 022. 06	7, 256, 539. 21

Personnel

The personnel in the Office of the Supervising Architect includes 200 architects, 197 engineers and architectural engineers, 215 district and construction engineers, inspectors, etc. (field force), and 381 clerks and general office workers. Of these, 109 have been added to the force during the fiscal year 1932. In addition, 250 architectural firms throughout the country are engaging in work for the Office of the Supervising Architect, 172 of these having been added to the list during the fiscal year 1932.

DIVISION OF SUPPLY

The Division of Supply is the central procuring or purchasing agency of the Treasury Department, and, as such, does the purchasing for all local and field activities, with the exception of those from appropriations for the Bureau of Engraving and Printing (exempted by law), the Coast Guard, and, to some extent, the Bureau of the Mint. It is charged also with certain duties closely related to purchasing, such as accounting for funds appropriated or allotted to it; supervision over printing and binding for the Treasury Department and engraving work by the Bureau of Engraving and Printing for all departments and establishments, unless money, bonds, or stamps are involved; control over newspaper and periodical advertising for the department; routing of all freight, express, and parcel post shipments; and warehousing and distribution of stationery and miscellaneous supplies, including blank books and forms, to Washington and field offices of the Treasury Department. The appropriations to the department for purchases of stationery, and for printing and binding, are under its administrative control.

Expenditures from various appropriations

The total cost of purchases made by the Division of Supply during each of the past five fiscal years from specified appropriations from which allotments were made to the division to cover expenditures made by it, and also purchases chargeable to appropriations from which no allotments were made, are shown in the following table:

Expenditures by Division of Supply for the fiscal years 1928 to 1932, by appropriations

Bureaus and offices, and titles of appropriations	1928	1929	1930	1931	1932
Chief Clerk and Superintendent:					
Contingent expenses, Treasury Department			$130,767.06	$165,024.58	$145,303.68
Carpets and repairs	$929.75	$977.83			
File holders and cases	7,966.51	7,969.07			
Freight, telegrams, etc	35.00	52.81			
Fuel, etc	19,169.41	16,115.60			
Furniture, etc	6,101.52	6,513.52			
Gas, etc	1,079.55	922.89			
Motor vehicles	23,425.88	24,288.56			
Miscellaneous items	10,946.33	11,549.10			
Newspaper clippings and books	934.49	981.57			
Labor-saving machines	39,016.44	31,475.21			
Operating expenses—					
Treasury Department Annex	2,224.25	3,167.60			
Darby Building	1,466.56	1,634.41			
Library	1,000.00	990.53	993.75	927.71	890.07
Total	114,298.72	106,638.76	131,760.81	165,952.29	146,193.75
Division of Supply:					
Stationery, Treasury Department	446,043.39	432,741.00	435,810.17	402,206.97	397,242.19
Printing and binding, Treasury Department	[1] 892,136.93	[1] 792,634.45	[1] 802,883.77	[1] 704,612.00	[1] 714,482.32
Postage, Treasury Department	1,000.00	986.76	999.90	(2)	(2)
General Supply Committee, salaries and expenses	114,705.20	128,215.82	133,110.00	155,396.78	11,074.99
Total	1,453,885.52	1,354,578.03	1,372,803.83	1,262,215.75	1,122,799.50
Division of Bookkeeping and Warrants, contingent expenses, public moneys	2,875.39	4,478.23	1,849.14	3,941.35	5,220.57
Bureau of Customs:					
Collecting the revenue from customs	216,122.10	395,473.19	598,229.68	463,165.84	470,105.91
Equipment, appraisers' stores, New York		59,161.48			
Total	216,122.10	454,634.67	598,229.68	463,165.84	470,105.91
Public Health Service:					
Pay of personnel and maintenance of hospitals	1,794,610.31	1,766,715.26	1,980,768.61	2,163,695.32	2,538,513.72
Quarantine service	276,242.06	292,784.45	318,214.44	347,858.12	239,179.88
Interstate quarantine service	3,520.65	2,463.23	759.76	1,427.52	502.74
Maintenance of—					
Hygienic Laboratory	34,250.06	33,287.36	34,115.92		
National Institute of Health				32,159.77	37,606.90
Field investigations	23,851.61	27,077.31	20,937.79	57,979.07	78,369.38
Preventing the spread of epidemic diseases	36,957.06	32,711.21	35,597.34	44,186.84	50,864.00
Expenses, Division of Venereal Diseases	4,373.97	3,040.74	3,937.09	4,710.52	6,183.32
Control of biologic products	19,815.91	16,482.83	19,663.41	18,099.98	19,161.86
Books	497.96	434.15	494.66	500.17	490.60
Studies of rural sanitation			72.75	23.45	
Survey of salt marsh areas, South Atlantic and Gulf States	1,083.94	1,734.84			
Educational exhibits				1,736.13	1,295.37
Narcotic farms				4,358.75	
Expenses, Division of Mental Hygiene					2,748.24
Mosquito control in District of Columbia				1,337.39	636.53
(Department of Justice transfers to Public Health Service)					
Medical and hospital services, penal institutions				1,706.83	
United States Penitentiary, Atlanta, Ga				26,482.07	14,620.68
United States Penitentiary, Atlanta, Ga., buildings and equipment, 1931 and 1932					34,150.12
United States Penitentiary, Leavenworth, Kans				30,009.68	41,111.13

[1] Includes receipts from sales of customs forms (reimbursed to the appropriation) and certain expenditures for printing and binding from appropriations other than printing and binding.
[2] Included with contingent expenses, Treasury Department.

Expenditures by Division of Supply for the fiscal years 1928 to 1932, by appropriations—Continued

Bureaus and offices, and titles of appropriations	1928	1929	1930	1931	1932
Public Health Service—Continued.					
United States Penitentiary, McNeil Island, Wash.					$32,016.58
Prison camps				$1,230.72	7,710.72
Federal jails					5,639.85
United States Industrial Reformatory, Chillicothe, Ohio				3,467.11	12,059.18
Federal Industrial Institute for Women, maintenance				11,910.52	9,124.23
United States Penitentiary, Leavenworth, Kans., machinery and equipment				27,063.78	
Total	$2,195,203.53	$2,176,731.38	$2,414,561.77	2,779,943.74	3,132,285.03
Supervising Architect (account public buildings):					
Repairs and preservation	104,692.86	119,680.30	111,515.06	117,656.04	123,795.17
Mechanical equipment	101,009.61	105,392.15	116,102.97	99,428.72	120,336.75
Vaults and safes	100,310.02	84,689.83	93,424.59	91,559.72	145,540.53
General expenses	33,705.64	46,924.19	65,949.34	131,244.81	167,281.89
Furniture and repairs	619,069.99	874,740.96	860,967.47	966,127.02	1,296,135.47
Operating supplies	1,097,299.34	1,114,359.98	1,068,265.90	1,042,678.42	1,023,749.59
Total	2,056,087.46	2,345,787.41	2,316,225.33	2,448,694.73	2,876,839.40
Bureau of Internal Revenue, collecting the internal revenue	235,890.74	194,449.29	274,423.27	240,022.46	156,528.72
Bureau of Prohibition, enforcement of narcotic and national prohibition acts	215,267.08	145,194.94	144,512.10		
Bureau of Narcotics, salaries and expenses				18,959.44	8,728.34
Bureau of Industrial Alcohol, salaries and expenses				52,220.72	46,454.33
Public Debt Service:					
Expenses of loans (act Sept. 24, 1917, as amended and extended)	27,182.47	3,168.57	1,913.66	1,668.63	1,529.50
Public Debt Service	23,066.11	28,224.80	16,577.58	17,079.67	16,804.40
Total	50,248.58	31,393.37	18,491.24	18,748.30	18,333.90
Total appropriations and allotments	6,549,879.12	6,813,886.08	7,272,857.17	7,453,864.62	7,983,489.45
Purchases from appropriations from which no allotments were made [2]	107,144.50	96,593.86	213,788.89	92,265.39	122,741.50
Grand total	6,657,023.62	6,910,479.94	7,486,646.06	7,546,130.01	8,106,230.95

[2] Appropriation accounting by bureaus and offices for which purchases were made.

The foregoing expenditures involved the preparation of specifications, the solicitation of quotations, the writing of purchase orders, and the examination and audit of vouchers for payment through the disbursing clerk of the Treasury Department.

Number of vouchers audited and purchase orders written during the fiscal years 1928 to 1932

Fiscal year	Vouchers examined	Purchase orders written
1928	94,402	40,700
1929	103,243	42,171
1930	116,100	48,571
1931	120,281	[1] 50,594
1932	123,350	[1] 56,212

[1] Exclusive of 5,781 quarterly and annual contracts in 1931, and 6,374 in 1932, made to cover the purchase of ice, wood, coal, fuel oil, subsistence stores, drayage, etc.

During the last five years the number of vouchers increased 30⅔ per cent and the number of purchase orders increased 38 per cent. The purchase orders in 1932 required the preparation of 9,800 sets of specifications and the circulation of 75,985 invitations to dealers to submit quotations, as compared with 10,000 sets of specifications in 1931.

Stationery supplies

The appropriations, reimbursements, and expenditures for articles of stationery for the past five years are summarized in the following table:

Appropriations, reimbursements, and expenditures for stationery for the fiscal years 1928 to 1932

	1928	1929	1930	1931	1932
Appropriations	$470,000.00	$420,000.00	$425,000.00	$404,200.00	$404,200.00
Reimbursements	16,166.25	13,011.00	11,431.15	13,107.00	17,080.05
Available credits	486,166.25	433,011.00	436,431.15	417,307.00	421,280.05
Total expenditures	446,043.39	432,741.00	435,810.15	402,206.97	397,242.19
Balance	40,122.86	270.00	621.00	15,100.03	24,037.86

The value of stationery supplies issued to each bureau, office, and service of the department during each of the last five fiscal years is shown in the following table:

Issues of stationery supplies to bureaus, offices, and services of the Treasury Department for the fiscal years 1928 to 1932

Bureau, office, or service	1928	1929	1930	1931	1932
Secretary, Under Secretary, and Assistant Secretaries	$1,042.38	$1,026.37	$939.53	$1,120.05	$1,755.49
Appointments Division	626.39	430.62	446.27	649.80	928.83
Board of Tax Appeals	136.50	162.82			
Division of Bookkeeping and Warrants	1,096.25	1,718.58	1,064.49	1,395.07	1,765.56
Bureau of Engraving and Printing	6,924.79	7,187.14	4,985.83	5,489.42	4,791.51
Bureau of the Budget	358.28	534.12	543.57	652.56	590.42
Division of Supply	6,885.96	2,886.27	2,919.40	2,035.18	2,306.59
General Supply Committee	1,020.76	1,119.27	1,198.97	1,249.64	1,391.44
Chief Clerk and Superintendent	1,757.38	1,654.20	1,386.36	2,107.93	1,655.05
Division of Accounts and Deposits	1,027.06	430.76	596.27	620.30	1,006.39
Comptroller of the Currency	5,429.24	6,712.82	11,056.51	6,150.79	4,466.87
Contingent expenses, national currency	51.41	54.08	99.00	81.16	38.93
Custodian of public buildings	1,627.69	1,407.81	1,391.16	(1)	(1)
Customs Service	72,030.83	66,425.59	77,260.11	73,405.24	56,468.26
Collector, San Juan, P. R.	806.85	722.90	797.00	613.97	450.40
Disbursing Clerk	571.29	778.48	511.04	568.02	859.03
Federal Farm Loan Board	3,979.86	3,681.73	2,914.25	4,251.46	2,224.17
Federal Reserve Board	4,249.95	3,977.02	2,736.30	3,152.02	3,164.06
Government Actuary	14.15	23.48	23.36	20.25	16.28
Insolvent national bank fund	1,023.77	884.05	680.28	1,155.17	1,588.68
Internal Revenue Bureau	195,135.01	191,511.70	172,558.02	175,244.86	159,993.40
Federal Farm Board			102.71	93.01	1.92
Customs Service, St. Thomas, Virgin Islands			175.85	35.02	91.07
Mint Bureau	1,134.70	921.76	943.91	913.16	1,050.05
National bank examiners	1,315.10	1,473.24	1,767.22	2,170.75	1,692.87
National Bank Redemption Agency	1,666.92	1,303.31	1,560.04	813.59	643.23
Prohibition Bureau	50,420.09	46,973.39	45,798.86		
Bureau of Industrial Alcohol				24,865.31	19,904.57
Bureau of Narcotics				5,548.67	3,998.45
Public Debt Service	20,581.34	20,025.07	12,726.03	15,345.40	15,335.62
Expenses of loans	2,564.77	203.06	33.20		
Public Health Service	22,120.62	21,703.45	22,178.21	21,854.73	21,615.59
Secret Service	929.27	1,001.47	1,220.15	967.12	1,084.75
Supervising Architect	6,338.75	8,481.09	10,347.03	20,482.10	29,587.95
Treasurer of the United States	9,678.39	8,175.67	7,173.37	8,233.58	8,220.01
Coast Guard	25,640.16	27,709.58	33,266.00	26,983.33	34,563.94
War Finance Corporation	12.84	14.67	21.73		
Personnel Classification Board				71.55	

[1] Included under Supervising Architect.

Issues of stationery supplies to bureaus, offices, and services of the Treasury Department for the fiscal years 1928 to 1932—Continued

Bureau, office, or service	1928	1929	1930	1931	1932
Settlement of war claims act				$16.64	$0.55
Department of Justice, penal institutions					86.15
Reconstruction Finance Corporation					6,507.60
Expended for transportation (partly estimated)	$20,335.68	$20,010.70	$19,500.00	18,000.00	17,000.00
Total	468,534.43	451,326.27	440,922.03	426,356.85	406,845.68
Reimbursed from other appropriations	16,166.25	13,011.00	11,431.15	13,107.00	17,080.05
Total charge to stationery appropriation	452,368.18	438,315.27	429,490.88	413,249.85	389,765.63

Shipments of stationery and miscellaneous supplies from the warehouse of the Division of Supply in Washington to field offices were as follows:

Shipments of stationery supplies to field offices for the fiscal years 1930 to 1932

	1930		1931		1932	
	Packages	Weight	Packages	Weight	Packages	Weight
Stationery and miscellaneous supplies.						
Freight and express	11,977	1,306,362	6,819	1,056,934	5,851	1,010,329
Parcel post	552	9,077	839	13,319	893	15,258
Franked parcels	4,278	17,483	7,310	21,930	7,605	22,815
Blank books and forms by mail	92,408	711,045	71,941	635,409	69,479	691,190
Total shipments	109,215	2,043,967	86,909	1,727,592	83,828	1,739,592
Government bills of lading used for freight and express shipments	3,342		2,563		2,729	

Printing and binding

The appropriation for printing and binding for the fiscal year 1932 was $693,900. Of this amount $691,214.96 was expended, leaving an unencumbered balance of $2,685.04. To these expenditures should be added $22,788.15 reimbursed from sales of customs forms and $64,558.51 expended from other appropriations. Thus there were total expenditures of $778,561.62 for all classes of printing and binding handled through the Division of Supply.

Expenditures for printing and binding, by bureaus, offices, and services for each of the last five fiscal years are shown in the following table:

Appropriations, expenditures, and reimbursements for printing and binding for the fiscal year years 1928 to 1932 [1]

SUMMARY

	1928	1929	1930	1931	1932
Appropriations printing and binding, Treasury Department	$823,000.00	$715,000.00	$715,000.00	[2] $693,900.00	$693,900.00
Reimbursements from sales of customs forms	41,085.18	45,639.19	42,586.14	33,049.69	22,788.15
Expended from other appropriations	62,097.88	34,895.98	51,611.12	34,194.38	64,558.51
Total available	926,183.06	795,535.17	809,197.26	761,144.07	781,246.66
Total expenditures	892,095.22	792,631.45	802,883.72	738,656.69	778,561.62
Balance	34,087.84	2,900.72	6,313.54	22,487.38	2,685.04

[1] Figures subject to slight variations, due to necessary delays in receiving bills from the Public Printer for certain items until pending work is completed after the close of each fiscal year.

[2] Original appropriation was $715,000; transfer of $21,100 was made to Department of Justice ($19,000 for prohibition, $1,600 for Court of Customs and Patent Appeals, $500 for Customs Court), leaving an available balance of $693,900.

Appropriations, expenditures, and reimbursements for printing and binding for the fiscal year years 1928 to 1932—Continued

EXPENDITURES FROM APPROPRIATIONS FOR PRINTING AND BINDING, BY BUREAUS, OFFICES, AND DIVISIONS

	1928	1929	1930	1931	1932
Secretary, Under Secretary, and Assistant Secretaries	$13,737.30	$11,899.00	$11,472.45	$11,603.35	$10,669.91
Appointments Division	1,210.78	946.43	1,569.68	1,275.68	218.99
Bookkeeping and Warrants Division	11,541.61	23,747.91	11,530.20	26,615.00	14,082.00
Bureau of Engraving and Printing	5,723.40	7,753.40	6,891.55	6,623.07	6,161.90
Bureau of Industrial Alcohol				23,737.68	28,227.89
Bureau of Narcotics				7,703.81	6,840.25
Bureau of Prohibition [3]	71,315.06	50,888.98	75,107.76	(3)	(3)
Chief Clerk and Superintendent	1,641.78	1,005.28	1,531.08	4,829.39	1,690.23
Coast Guard:					
Bureau	23,824.35	[4] 25,717.73	[4] 35,634.42	[4] 37,971.40	[4] 37,839.95
Service	22,378.10				
Commissioner of Accounts and Deposits	123.55	82.95	123.53	70.47	1,282.11
Comptroller of the Currency	27,952.32	23,764.88	25,709.69	26,618.08	32,158.64
Custodians of public buildings	1,002.08	1,393.35	1,592.19	1,061.89	1,709.38
Customs:					
Bureau	4,066.58	[5] 34,622.88	[5] 48,045.10	[5] 27,841.42	[5] 27,213.36
Service	35,968.54				
Special agency	431.69				
Disbursing Clerk	649.69	230.49	454.46	758.43	599.27
Division of Supply	30,141.79	17,152.10	10,014.65	12,162.27	7,980.86
General Supply Committee	36,005.28	27,691.01	30,967.56	38,037.62	57,370.16
Government Actuary	1,652.28	1,663.24	1,614.27	1,667.98	1,962.35
Internal Revenue:					
Bureau	86,777.77	[4] 263,655.90	[4] 246,533.00	[4] 236,919.06	[4] 248,537.83
Service	211,310.33				
Loans and Currency Division [6]	2,814.17				
Mint:					
Bureau	3,662.18	[4] 5,751.94	[4] 7,733.48	[4] 7,216.94	[4] 6,678.73
Service	2,940.12				
National bank depositaries	2,561.54	2,019.04	1,982.53	1,990.55	1,868.45
Public Debt Service [6]	20,000.68	15,848.86	12,637.85	15,080.94	16,542.74
Public Health:					
Bureau	88,129.41	[4] 102,264.76	[4] 101,084.19	[4] 94,517.11	[4] 91,734.28
Service	8,107.57				
Secret Service	382.91	503.93	493.11	553.88	535.26
Supervising Architect	3,041.80	6,658.29	5,938.80	6,900.17	6,956.18
Treasurer of the United States	12,966.83	11,109.45	12,521.83	11,733.36	11,472.23
Miscellaneous	53,847.64	75,787.48	57,500.05	67,859.98	70,882.01
Total	785,912.16	712,099.28	708,686.46	671,412.62	691,214.96

REIMBURSED AND EXPENDED FROM OTHER APPROPRIATIONS

	1928	1929	1930	1931	1932
Bureau of Engraving and Printing	$1,582.99	$2,398.39	$2,806.85	$313.72	$3,420.92
Collecting the revenue from customs	17.56	55.50	428.30	48.10	50.10
Contingent expenses, national currency	3,562.08	686.75	4,597.38	846.14	1,602.03
Customs Service, blank forms [7]	44,085.18	45,639.19	42,586.14	33,049.69	22,788.15
Enforcement of narcotic and national prohibition acts		142.66	3,448.43		
Expenses of loans (act Sept. 24, 1917, as amended and extended)	24,249.84	3,117.63	1,646.04	828.42	1,758.13
Expenses, settlement of war claims, act of 1928		133.13	91.28	194.84	248.05
Federal Farm Loan Bureau (miscellaneous expenses)	6,440.16	10,564.91	9,819.28	11,881.04	15,313.69
German special deposit account					262.69
Insolvent national bank fund	2,393.18	1,601.33	1,668.97	3,941.83	13,281.92
Mixed Claims Commission		151.39			
National bank examiners	12,182.61	12,130.68	18,055.77	13,095.86	12,826.88
National Bank Redemption Agency	11,630.46	3,930.61	9,048.82	2,808.99	13,074.66
Public Debt Service	39.00				
Salaries and expenses, Bureau of Industrial Alcohol				235.44	2,719.44
Total	106,183.06	80,535.17	94,197.26	67,244.07	87,346.66

[3] Included under Bureau of Internal Revenue prior to 1927; activities relating to prohibition enforcement transferred to Department of Justice on July 1, 1930, with organization of Bureau of Industrial Alcohol and Bureau of Narcotics in the Treasury Department.
[4] Includes bureau and service.
[5] Includes bureau, service, and special agency.
[6] Public Debt Service includes Register of the Treasury for 1928, 1929, 1930, 1931, and 1932, and the greater part of Loans and Currency for all years.
[7] Reimbursed to printing and binding appropriation.

Department advertising

Authorizations to publish advertising were issued to 3,774 newspapers and periodicals in the fiscal year 1932, compared with 3,868 in 1931, a decrease of 94, while expenditures thus authorized increased from $34,360.40 in 1931 to $39,174.65 in 1932, an increase of $4,814.25.

Engraving work

A total of 68,423,775 certificates, checks, commissions, drafts, liquor permits, transportation requests, and warrants was approved by this office for execution by the Bureau of Engraving and Printing for the several departments and establishments of the Government during the fiscal year 1932, compared with 59,428,917 in the preceding year.

TREASURER OF THE UNITED STATES

Total ordinary receipts from all sources, exclusive of postal revenues, and expenditures chargeable against ordinary receipts are shown for the fiscal years 1931 and 1932 in the following table, classified according to fund accounts. (For explanation of fund accounts, see p. 338.) The figures for 1931 are on the basis of daily Treasury statements, unrevised, the revised figures for this classification being unavailable; and the figures for 1932 are on an unrevised basis for comparison and also on a revised basis. (For explanation of bases, see p. 337.)

Total receipts and expenditures, classified according to fund accounts, for the fiscal years 1931 and 1932

Account	1931, unrevised	1932	
		Unrevised	Revised
General fund:			
Ordinary receipts, exclusive of postal revenues	$3, 103, 764, 828. 41	$1, 976, 545, 842. 44	$1, 974, 861, 178. 67
Expenditures chargeable against ordinary receipts	3, 987, 434, 521. 50	4, 813, 922, 598. 90	4, 806, 175, 978. 01
Deficit	883, 669, 693. 09	2, 837, 376, 756. 46	2, 831, 314, 799. 34
Special funds:			
Receipts	85, 873, 803. 79	29, 179, 594. 70	29, 013, 784. 89
Expenditures	104, 163, 190. 99	71, 987, 087. 23	72, 029, 079. 46
Deficit	18, 289, 387. 20	42, 807, 492. 53	43, 015, 294. 57
Trust funds:			
Receipts	127, 594, 861. 61	115, 502, 568. 91	114, 217, 935. 45
Expenditures	128, 352, 626. 39	120, 680, 618. 94	119, 688, 200. 60
Deficit	757, 764. 78	5, 178, 050. 03	5, 470, 265. 15
General, special, and trust funds combined:			
Receipts	3, 317, 233, 493. 81	2, 121, 228, 006. 05	2, 118, 092, 899. 01
Expenditures	4, 219, 950, 338. 88	5, 006, 590, 305. 07	4, 997, 893, 258. 07
Deficit	902, 716, 845. 07	2, 885, 362, 299. 02	2, 879, 800, 359. 06

Attention is called to the fact that figures used throughout this section of the report (pp. 214 to 217, inclusive), except as otherwise stated, are on the basis of daily Treasury statements, revised.

Receipts for 1932, as shown above, include Panama Canal tolls, etc., amounting to $22,448,911.57 as against $26,534,587.74 last year. There were no receipts from the proceeds of sales of obligations of foreign governments in 1932, whereas last year the receipts from this source amounted to $236,062,755.75. Expenditures for 1932 include $10,735,623.17 for the operation of the Panama Canal, $202,876,340.63 for the postal deficiency, $500,000,000 for the purchase of capital stock of the Reconstruction Finance Corporation, and $125,000,000 for the purchase of capital stock of Federal land banks. Expenditures for 1931 for operation of the Panama Canal were $9,428,059.23 and for the postal deficiency $145,643,613.12. There were no purchases of capital stock during 1931.

The receipts and expenditures on account of the principal of the public debt during the fiscal year 1932 are shown in the following statement:

Receipts on account of—		
Treasury bills		$2,335,649,000.00
Certificates of indebtedness		4,707,307,050.00
Certificates of indebtedness (adjusted service certificate fund series)		393,300,000.00
Treasury notes (foreign service retirement fund series)		453,000.00
Treasury notes (civil service retirement fund series)		46,800,000.00
Treasury notes (Canal Zone retirement fund series)		2,070,000.00
Treasury notes		1,261,283,600.00
Treasury bonds		800,421,000.00
Treasury savings securities		291.11
Postal savings bonds		13,871,880.00
Deposits for retirement of national bank notes (act of July 14, 1890)		73,067,135.00
Total		9,634,225,956.11
Expenditures on account of—		
Treasury bills		2,150,724,000.00
Certificates of indebtedness		3,762,251,550.00
Certificates of indebtedness (adjusted service certificate fund series)		410,100,000.00
Treasury notes (foreign service retirement fund series)		136,000.00
Treasury notes (civil service retirement fund series)		11,400,000.00
Treasury notes (Canal Zone retirement fund series)		6,000.00
Treasury notes		475,527,650.00
Treasury bonds		94,269,550.00
War savings securities		35,875.00
Treasury savings securities		356,412.00
First Liberty bonds		314,200.00
Second Liberty bonds		943,450.00
Third Liberty bonds		1,447,050.00
Fourth Liberty bonds		118,000.00
Victory notes		138,400.00
Postal savings bonds		455,120.00
Other debt items		54,024.44
National bank notes and Federal reserve bank notes		37,454,052.50
Total		6,948,701,333.94
Reconstruction Finance Corporation—		
Purchases of obligations of the corporation	$350,000,000.00	
Balance to credit of corporation	66,270,423.39	
		283,729,576.61

Public debt retirements chargeable against ordinary receipts, included in the above expenditures, were as follows:

Cumulative sinking fund	$412,554,750.00
Received for estate taxes	1,000.00
Purchases and retirements from franchise tax receipts (Federal intermediate credit banks)	21,000.00
Forfeitures, gifts, etc	53,000.00
Total	412,629,750.00

The gold holdings of the Treasury, largely held in trust against specific obligations, were reduced during the fiscal year 1932, due chiefly to an excess of exports over imports. The total imports of gold during the year, as reported by the Department of Commerce, were $520,028,017 and the exports $1,233,843,540. The gold holdings

of the Treasury on June 30, 1931 and 1932 are shown in the following table:

Account	June 30, 1931	June 30, 1932	Increase (+) or decrease (−)
For redemption of gold certificates outstanding	$1,701,514,389.00	$1,490,698,969.00	−$210,815,420.00
Gold fund, Federal Reserve Board	1,776,690,377.86	1,235,736,771.58	−540,953,606.28
Gold reserve	156,039,088.03	156,039,088.03	
Gold in general fund (including amount held for the redemption of Federal reserve notes)	61,835,014.10	76,085,850.10	+14,250,836.00
Total	3,696,078,868.99	2,958,560,678.71	−737,518,190.28

Public moneys on deposit in designated Government depositaries on June 30, 1932, exclusive of items in transit on that date, amounted to $436,572,610.06 and were distributed as follows:

Federal reserve banks and branches	$3,758,367.94
Special depositary banks (war loan deposit accounts)	405,648,239.95
General depositary banks (exclusive of foreign)	13,126,710.04
Limited depositary banks (exclusive of foreign)	12,676,894.24
Foreign depositary banks (general and limited)	785,023.66
Treasury of the Philippine Islands	577,374.23
Total	436,572,610.06

Interest at the rate of one-half of 1 per cent per annum accrued on balances held by general and limited depositary banks, including foreign, in the amount of $137,405.24 and on balances in special depositary banks arising from the sales of Treasury bonds, notes, and certificates of indebtedness in the amount of $1,662,082.78, making a total of $1,799,488.02.

United States paper currency shipped from the Treasury in Washington to Treasury offices, Federal reserve banks and branches, and others amounted to $1,227,811,885 as compared with $1,687,480,999 for the previous year.

United States paper currency (gold certificates, silver certificates, and United States notes) issued during the year amounted to $1,272,424,000 as against $1,752,014,000 for the previous year. The redemptions, including Treasury notes of 1890, amounted to $1,192,507,800 as against $1,511,807,350 for the fiscal year 1931, leaving $2,684,949,688 outstanding at the end of the year. Treasury notes of 1890 are no longer issued, and the amount outstanding is gradually being redeemed.

The proceeds of currency counted into the Treasurer's cash by the National Bank Redemption Agency amounted to $425,164,804.97. Of this sum, $390,149,009 was in national bank notes, $185,733 in Federal reserve bank notes, $34,649,985 in Federal reserve notes, and $180,077.97 in United States currency.

Canceled Federal reserve notes amounting to $921,330,460 were received from Federal reserve banks and branches for credit of Federal reserve agents.

During the year the Treasurer's office authorized and directed shipments or transfers of gold bars and of current gold, silver, and minor coins to or from the Treasury, the mints, the assay office in New York, and the Federal reserve banks and branches for use in public disbursements and for special purposes in an aggregate amount of $1,191,293,814.67. Shipments and transfers of uncurrent and

lightweight coins to the mints from the Treasury in Washington and from the Federal reserve banks and branches were authorized in the amount of $11,810,700.10.

Funds were advanced to United States disbursing officers by accountable warrants issued in an aggregate amount of $3,594,333,570.69. Warrants aggregating $7,898,655,609.47 were also issued covering public debt principal, interest, and premium payments by the Treasurer. Treasurer's checks aggregating $731,711,481.70 were issued on settlement warrants in payment of claims settled by the Comptroller General. Drafts in payment of claims settled in foreign currencies by the Comptroller General were purchased to the number of 628 at a total cost of $18,836.68 and for other departments and bureaus of the Government to the number of 1,070 at a cost of $77,076.76.

Checks drawn on this office by Government disbursing officers were paid during the fiscal year 1932 to the number of 37,931,376, an increase of 1,449,680 checks, as compared with the previous fiscal year. Balances to the credit of disbursing officers and Government agencies in 3,151 accounts on June 30, 1932, amounted to $365,222,710.57, an increase of $26,331,191.80 over the total of such balances in 3,131 accounts on June 30, 1931.

WAR FINANCE CORPORATION

(In liquidation)

The liquidation of the War Finance Corporation, which began on January 1, 1925, was continued during the year. By the act approved March 1, 1929, the liquidation of the corporation's assets remaining at the close of April 4, 1929, and the winding up of the affairs of the corporation thereafter were transferred to the Secretary of the Treasury, who, for such purpose, was given all the powers and duties of the board of directors of the corporation under the War Finance Corporation act of April 5, 1918, as amended. To carry out the program of liquidation, the Secretary of the Treasury, pursuant to authority contained in the law, assigned to a liquidating committee the exercise and performance, under his general supervision and direction, of all powers and duties vested in him by the act approved March 1, 1929. The liquidating committee consists of two officers of the United States in the Treasury Department who serve without compensation from the corporation.

Only $10,000 of the corporation's original capital of $500,000,000 is outstanding, $499,990,000 of capital stock having been canceled and retired at par. In addition, the corporation has paid into the Treasury $64,531,271.70 on account of earnings.

The amount advanced by the corporation for all purposes, from its creation, was $690,431,100, of which $688,423,686 has been repaid. The amount carried on the corporation's books on October 15, 1932, was $211,762.29, of which $170,480 represented war loans and $41,282.29 agricultural and livestock loans (including expense advances of $406.69). During the year ended October 15, 1932, no expense advances were made. The repayments during this period on account of the corporation's agricultural and livestock loans, totaled $4,389.21.

EXHIBITS

EXHIBITS

THE PUBLIC DEBT

Issues of Treasury notes and certificates of indebtedness

EXHIBIT 1

Offering of Treasury notes, Series 1932 (3¼ per cent) and certificates of indebtedness, Series TJ–1932 (2¾ per cent) and Series TS2–1932 (3 per cent) (press release, December 7, 1931, with Department Circulars Nos. 451 and 452)

The Treasury is to-day offering for subscription at par and accrued interest, through the Federal reserve banks, 3¼ per cent 1-year Treasury notes, 2¾ per cent 6-month certificates of indebtedness, and 3 per cent 9-month certificates of indebtedness. The amount of the Treasury note offering is $600,000,000, or thereabouts; the amount of the offering of 6-month certificates of indebtedness is $300,000,000, or thereabouts; and the amount of the offering of 9-month certificates of indebtedness is $400,000,000, or thereabouts.

The Treasury notes will be dated December 15, 1931, and will bear interest from that date at the rate of 3¼ per cent per annum, payable semiannually. They will mature on December 15, 1932, and will not be subject to call for redemption prior to that date.

Both series of certificates of indebtedness will be dated and bear interest from December 15, 1931. One series, TJ–1932, for 6 months, with interest at the rate of 2¾ per cent per annum, will mature on June 15, 1932, and the other series, TS2–1932, for 9 months, with interest at the rate of 3 per cent per annum, will mature on September 15, 1932.

The principal and interest of the Treasury notes and of both series of certificates of indebtedness will be payable in United States gold coin of the present standard of value.

The Treasury notes and Treasury certificates of indebtedness of both series will be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new Treasury notes and certificates of indebtedness, at par, the 3½ per cent Treasury notes of Series C–1930–32, with coupons dated June 15 and December 15, 1932, attached, which were called for redemption on December 15, 1931, by Treasury Department Circular No. 439, dated June 8, 1931, and Treasury certificates of indebtedness of Series TD–1931 and TD2–1931, both maturing December 15, 1931.

Subscriptions for the Treasury notes for which payment is to be tendered in 3½ per cent Treasury notes of Series C–1930–32 (called for redemption on December 15, 1931) and Treasury certificates of indebtedness of Series TD–1931 and TD2–1931 (both maturing December 15, 1931) will be given preferred allotment up to the amount of the offering of Treasury notes. Subscriptions for the Treasury certificates of indebtedness for which payment is to be tendered in 3½ per cent Treasury notes of Series C–1930–32 and Treasury certificates of indebtedness of Series TD–1931 and TD2–1931 will be given preferred allotment up to the amount of each offering.

The Treasury notes will be issued in bearer form only, in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000, with two interest coupons attached payable on June 15, and December 15, 1932. The certificates of indebtedness of both series will be issued in bearer form only, in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates of Series TJ–1932 will have one interest coupon attached, payable June 15, 1932, and the certificates of Series TS2–1932 two interest coupons attached, payable March 15, and September 15, 1932.

The 3½ per cent Treasury notes of Series C–1930–32 were called for redemption on December 15, 1931, and will cease to bear interest on that date. About $452,000,000 of these notes are now outstanding. In addition, about $543,000,000 of Treasury certificates of indebtedness and about $95,000,000 in interest on the public debt become due and payable on December 15, 1931.

The texts of the official circulars follow:

[Department Circular No. 451]

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal reserve banks, Treasury certificates of indebtedness, in two series, both dated and bearing interest from December 15, 1931, the certificates of Series TJ–1932 being payable on June 15, 1932, with interest at the rate of 2¾ per cent per annum, payable on a semiannual basis, and the certificates of Series TS2–1932 being payable on September 15, 1932, with interest at the rate of 3 per cent per annum, payable on a semiannual basis. The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Applications will be received at the Federal reserve banks.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates of Series TJ–1932 will have one interest coupon attached, payable June 15, 1932, and the certificates of Series TS2–1932, two interest coupons attached, payable March 15, and September 15, 1932.

The certificates of these series shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The certificates of these series will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the certificates. The certificates of these series will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

The right is reserved to reject any subscription and to allot less than the amount of certificates of either or both series applied for and to close the subscriptions as to either or both series at any time without notice. The Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

Payment at par and accrued interest for certificates allotted must be made on or before December 15, 1931, or on later allotment. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive certificates. Any qualified depositary will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. The 3½ per cent Treasury notes of Series C–1930–32, with coupons dated June 15 and December 15, 1932, attached, which were called for redemption on December 15, 1931, by Treasury Department Circular No. 439, dated June 8, 1931, and Treasury certificates of indebtedness of Series TD–1931 and TD2–1931, both maturing December 15, 1931, will be accepted at par in payment for any certificates of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the certificates of the series so paid for.

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts.

A. W. Mellon,
Secretary of the Treasury.

Treasury Department,
Office of the Secretary,
December 7, 1931.

To the investor:

Almost any banking institution in the United States will handle your subscription for you, or you may make subscription direct to the Federal reserve bank of your district. Your special attention is invited to the terms of subscription and allotment as stated above. If you desire to purchase, at the market price, certificates of the above issues after the subscriptions close, or certificates of any outstanding issue, you should apply to your own bank, or, if it can not obtain them for you, to the Federal reserve bank of your district, which will then endeavor to fill your order in the market.

[Department Circular No. 452]

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, $600,000,000, or thereabouts, 3¼ per

cent Treasury notes of Series 1932, of an issue of gold notes of the United States authorized by the act of Congress approved September 24, 1917, as amended.

DESCRIPTION OF NOTES

The notes will be dated and bear interest from December 15, 1931, will be payable on December 15, 1932, and will bear interest at the rate of 3¼ per cent per annum, payable semiannually on June 15, and December 15, 1932. The notes will not be subject to call for redemption prior to maturity. The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

Bearer notes with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The notes will not be issued in registered form. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

The notes of this series shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The notes of this series will be accepted at par, with an adjustment of accrued interest, during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the notes.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks, as fiscal agents of the United States. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks are authorized to act as official agencies.

Subscriptions for which payment is to be tendered in 3½ per cent Treasury notes of Series C–1930–32 (called for redemption on December 15, 1931) and Treasury certificates of indebtedness of Series TD–1931 and TD2–1931 (both maturing December 15, 1931) will be given preferred allotment up to the amount of the offering.

The right is reserved to reject any subscription, in whole or in part, and to allot less than the amount of notes applied for and to close the subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for any notes allotted must be made on or before December 15, 1931, or on later allotment. Any qualified depositary will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. The 3½ per cent Treasury notes of Series C–1930–32, with coupons dated June 15 and December 15, 1932, attached, which were called for redemption on December 15, 1931, by Treasury Department Circular No. 439, dated June 8, 1931, and Treasury certificates of indebtedness of Series TD–1931 and TD2–1931, both maturing December 15, 1931, will be accepted at par in payment for any notes of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the notes of the series so paid for.

GENERAL PROVISIONS

The Federal reserve banks, as fiscal agents of the United States, are authorized and requested to receive subscriptions for Treasury notes hereunder, to make allotments of subscriptions on the basis and up to the amounts indicated to them by the Secretary of the Treasury, and to make delivery of Treasury notes on full-paid subscriptions allotted, and, pending delivery of definitive notes, to issue interim certificates.

FURTHER DETAILS

Any further information which may be desired as to the issue of Treasury notes under the provisions of this circular may be obtained upon application to a Federal reserve bank. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations, and may terminate the offer at any time in his discretion.

A. W. MELLON,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
December 7, 1931.

To the investor:

Almost any banking institution in the United States will handle your subscription for you, or you may make subscription direct to the Federal reserve bank of your district. Your special attention is invited to the terms of subscription and allotment as stated above, and to the fact that Treasury notes of Series C–1930–32 may be accepted in payment for the Treasury notes offered.

EXHIBIT 2

Subscriptions and allotments, Treasury notes, Series 1932, and certificates of indebtedness, Series TJ–1932 and Series TS2–1932 (from press releases, December 11, 12, and 14, 1931, revised [1])

Secretary Mellon announced that the subscription books for the current offering of 12-month 3¼ per cent Treasury notes of Series 1932, maturing December 15, 1932, for $600,000,000; 9-month 3 per cent Treasury certificates of indebtedness, Series TS2–1932, maturing September 15, 1932, for $400,000,000; and 6-month 2¾ per cent Treasury certificates of indebtedness, Series TJ–1932, maturing June 15, 1932, for $300,000,000, closed at the close of business, Thursday, December 10, 1931.

TREASURY NOTES, SERIES 1932

For the offering of 3¼ per cent Treasury notes of Series 1932, total subscriptions aggregated $703,703,400. Of these subscriptions $225,530,800 represented exchange subscriptions in payment for which 3½ per cent Treasury notes, called for redemption on December 15, 1931, and Treasury certificates of indebtedness of Series TD–1931 and Series TD2–1931, both maturing December 15, 1931, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the Treasury notes of series 1932 were made as follows: Subscriptions in amounts not exceeding $100,000 were allotted 90 per cent, but not less than $100 on any one subscription; subscriptions in amounts over $100,000 but not exceeding $1,000,000 were allotted 80 per cent, but not less than $90,000 on any one subscription; and subscriptions in amounts over $1,000,000 were allotted 75 per cent, but not less than $800,000 on any one subscription.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TS2–1932

For the offering of 3 per cent Treasury certificates of indebtedness of Series TS2–1932, total subscriptions aggregated $460,650,000. Of these subscriptions $30,985,000 represented exchange subscriptions in payment for which Treasury notes, called for redemption on December 15, 1931, and Treasury certificates of indebtedness of Series TD–1931 and Series TD2–1931, both maturing December 15, 1931, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the certificates of Series TS2–1932 were made as follows: Subscriptions in amounts not exceeding $1,000,000 were allotted in full. Subscriptions in amounts over $1,000,000 were allotted 80 per cent, but not less than $1,000,000 on any one subscription.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TJ–1932

For the offering of 2¾ per cent Treasury certificates of indebtedness of Series TJ–1932, total subscriptions aggregated $619,715,500. Of these subscriptions

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[1] Revised January 14, 1932.

$324,578,500 represented exchange subscriptions in payment for which 3½ per cent Treasury notes, called for redemption on December 15, 1931, and Treasury certificates of indebtedness of Series TD–1931 and Series TD2–1931, both maturing December 15, 1931, were tendered. In accordance with previous announcement, exchange subscriptions were given preferred allotment. All of such subscriptions were allotted in full, and all cash subscriptions were rejected.

Subscriptions and allotments for the three issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total subscriptions received	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions allotted
	Treasury notes, Series 1932			
Boston	$24, 081, 300	$15, 360, 100	$8, 721, 200	$22, 007, 000
New York	355, 290, 600	211, 961, 200	143, 329, 400	305, 476, 400
Philadelphia	37, 743, 000	36, 014, 100	1, 728, 900	29, 429, 700
Cleveland	32, 639, 100	29, 060, 800	3, 578, 300	26, 748, 500
Richmond	32, 628, 700	29, 930, 500	2, 698, 200	26, 746, 500
Atlanta	18, 066, 800	16, 580, 800	1, 486, 000	15, 776, 300
Chicago	89, 102, 000	57, 980, 800	31, 121, 200	76, 391, 700
St. Louis	14, 388, 000	5, 230, 200	9, 157, 800	13, 592, 600
Minneapolis	4, 689, 400	3, 530, 600	1, 158, 800	4, 130, 800
Kansas City	6, 807, 200	4, 055, 800	2, 751, 400	6, 162, 800
Dallas	22, 705, 400	21, 213, 700	1, 491, 700	19, 380, 300
San Francisco	63, 755, 500	47, 167, 100	16, 588, 400	52, 805, 600
Treasury	1, 806, 400	86, 900	1, 719, 500	1, 798, 000
Total	703, 703, 400	478, 172, 600	225, 530, 800	600, 446, 200
	Treasury certificates of indebtedness, Series TS2–1932			
Boston	12, 066, 500	10, 373, 500	1, 693, 000	12, 066, 500
New York	292, 272, 500	274, 819, 500	17, 453, 000	241, 772, 500
Philadelphia	24, 345, 000	24, 287, 000	58, 000	21, 045, 000
Cleveland	20, 014, 500	19, 981, 000	33, 500	18, 048, 500
Richmond	7, 829, 000	7, 701, 000	128, 000	7, 829, 000
Atlanta	17, 355, 000	17, 032, 500	322, 500	16, 950, 000
Chicago	23, 217, 500	19, 194, 500	4, 023, 000	22, 027, 500
St. Louis	6, 169, 000	5, 148, 000	1, 021, 000	6, 169, 000
Minneapolis	3, 005, 500	1, 776, 000	1, 229, 500	3, 005, 500
Kansas City	3, 417, 000	2, 597, 500	819, 500	3, 417, 000
Dallas	16, 296, 500	16, 233, 500	63, 000	16, 296, 500
San Francisco	34, 107, 000	30, 521, 000	3, 586, 000	29, 007, 000
Treasury	555, 000		555, 000	555, 000
Total	460, 650, 000	429, 665, 000	30, 985, 000	398, 225, 000
	Treasury certificates of indebtedness, Series TJ–1932			
Boston	11, 830, 500	9, 262, 500	2, 568, 000	2, 568, 000
New York	400, 911, 500	171, 872, 500	229, 039, 000	229, 039, 000
Philadelphia	43, 699, 000	35, 243, 000	8, 456, 000	8, 456, 000
Cleveland	15, 139, 500	14, 929, 500	210, 000	210, 000
Richmond	5, 447, 000	5, 437, 000	10, 000	10, 000
Atlanta	15, 631, 500	15, 430, 000	201, 500	201, 500
Chicago	78, 621, 000	14, 081, 500	64, 539, 500	64, 539, 500
St. Louis	9, 392, 000	8, 602, 500	789, 500	789, 500
Minneapolis	4, 519, 000	1, 495, 000	3, 024, 000	3, 024, 000
Kansas City	15, 125, 500	3, 108, 500	12, 017, 000	12, 017, 000
Dallas	4, 331, 000	4, 321, 000	10, 000	10, 000
San Francisco	15, 053, 000	11, 339, 000	3, 714, 000	3, 714, 000
Treasury	15, 000	15, 000		
Total	619, 715, 500	295, 137, 000	324, 578, 500	324, 578, 500

Exhibit 3

Offering of certificates of indebtedness, Series A–1932 (3⅛ per cent) and Series A–1933 (3¾ per cent) (press release, January 25, 1932, with Department Circular No. 454)

The Treasury is to-day offering for subscription, at par and accrued interest, through the Federal reserve banks, $350,000,000, or thereabouts, Treasury certificates of indebtedness in two series, both dated and bearing interest from February 1, 1932; one series, A–1932, being for 6 months, with interest at the rate of 3⅛ per cent, and maturing August 1, 1932, and the other series, A–1933, being for 12 months, with interest at the rate of 3¾ per cent, and maturing February 1, 1933. The amount of each series to be issued will be in the proportion that the total subscriptions for that series bears to the total subscriptions received for both series. The aggregate amount of the two series to be issued will be $350,000,000, or thereabouts.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new certificates of either or both series, at maturity value, Treasury bills dated November 2, 1931, which mature on February 1, 1932, and subscriptions in payment of which such Treasury bills are tendered will be given preferred allotn ent.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000. and $100,000. The certificates of Series A–1932 will have one interest coupon attached, payable August 1, 1932, and the certificates of Series A–1933, two interest coupons attached, payable August 1, 1932, and February 1, 1933.

These certificates will be exempt, both as to principal and interest, from all taxation, except estate and inheritance taxes.

These certificates are being issued in order to make funds available to meet initial needs under the President's emergency program, and will provide for the payment of $60,000,000 of maturing Treasury bills.

The text of the official circular follows:

[Department Circular No. 454]

The Secretary of the Treasury, under the authority of the act approved Sep, tember 24, 1917, as amended, offers for subscription, at par and accrued interest- through the Federal reserve banks, $350,000,000, or thereabouts, Treasury certificates of indebtedness, in two series, both dated and bearing interest from February 1, 1932, the certificates of Series A 1932 being payable on August 1, 1932, with interest at the rate of 3⅛ per cent per annum, payable on a semiannual basis, and the certificates of Series A–1933 being payable on February 1, 1933, with interest at the rate of 3¾ per cent per annum, payable semiannually. The amount of each series to be issued will be in the proportion that the total subscriptions for that series bears to the total subscriptions received for both series. The aggregate amount of the two series to be issued will be $350,000,000, or thereabouts.

The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Applications will be received at the Federal reserve banks.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates of Series A–1932 will have one interest coupon attached, payable on August 1, 1932, and the certificates of Series A–1933 will have two interest coupons attached, payable on August 1, 1932, and February 1, 1933, respectively.

The certificates of these series shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The certificates of these series will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes, and will not bear the circulation privilege.

The right is reserved to reject any subscription, in whole or in part, and to allot less than the amount of certificates of either or both series applied for and to close the subscriptions as to either or both series at any time without notice. The Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and

allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

Payment at par and accrued interest for certificates allotted must be made on or before February 1, 1932, or on later allotment. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive certificates. Any qualified depositary will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Treasury bills dated November 2, 1931, which mature on February 1, 1932, will be accepted at maturity value in payment for any certificates of either or both series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the certificates of the series so paid for. Subscriptions for which payment is to be tendered in Treasury bills dated November 2, 1931, and maturing on February 1, 1932, will be given preferred allotment.

As fiscal agents of the United States Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts.

A. W. MELLON,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
January 25, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

EXHIBIT 4

Subscriptions and allotments, certificates of indebtedness, Series A–1932 and Series A–1933 (from press releases, January 28, 29, and 30, 1932)

Secretary Mellon announced that the subscription books for the current offering of 6-month $3\frac{1}{8}$ per cent Treasury certificates of indebtedness of Series A–1932, maturing August 1, 1932, and 12-month $3\frac{3}{4}$ per cent Treasury certificates of indebtedness of Series A–1933, maturing February 1, 1933, closed at the close of business Wednesday, January 27, 1932.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES A–1932

For the offering of $3\frac{1}{8}$ per cent Treasury certificates of Series A–1932 total subscriptions aggregated $395,938,500. Of these subscriptions $4,616,000 represented exchange subscriptions in payment for which Treasury bills, dated November 2, 1931, maturing February 1, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the certificates of Series A–1932 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted in full. Subscriptions in amounts over $10,000, but not exceeding $100,000, were allotted 80 per cent, but not less than $10,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 65 per cent, but not less than $80,000 on any one subscription; and subscriptions in amounts over $1,000,000 were allotted 50 per cent, but not less than $650,000 on any one subscription.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES A–1933

For the offering of $3\frac{3}{4}$ per cent Treasury certificates of indebtedness of Series A–1933, maturing February 1, 1933, total subscriptions aggregated $250,148,000. Of these subscriptions $43,037,000 represented exchange subscriptions in payment for which Treasury bills dated November 2, 1931, maturing February 1, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the certificates of Series A–1933 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted in full. Subscriptions in amounts over $10,000 but not exceeding $100,000 were allotted 80 per cent, but not less than $10,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 60 per cent, but not less than $80,000 on any one subscription; and subscriptions in amounts over $1,000,000 were allotted 40 per cent, but not less than $600,000 on any one subscription.

Subscriptions and allotments for the two issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions received	Total subscriptions allotted
	Treasury certificates of indebtedness, Series A-1932			
Boston	$43,452,000	$66,000	$43,518,000	$28,319,000
New York	269,168,500	3,550,000	272,718,500	145,138,500
Philadelphia	17,330,500		17,330,500	11,350,000
Cleveland	12,541,000		12,541,000	8,398,000
Richmond	7,940,000		7,940,000	4,995,500
Atlanta	7,899,000		7,899,000	5,709,000
Chicago	12,112,500	1,000,000	13,112,500	8,531,500
St. Louis	1,611,000		1,611,000	1,190,500
Minneapolis	1,766,000		1,766,000	1,456,500
Kansas City	1,938,500		1,938,500	1,468,500
Dallas	8,101,000		8,101,000	5,934,500
San Francisco	7,451,000		7,451,000	5,129,500
Treasury	11,500		11,500	10,000
Total	391,322,500	4,616,000	395,938,500	227,631,000
	Treasury certificates of indebtedness, Series A-1933			
Boston	$2,820,500		$2,820,500	$2,065,500
New York	151,970,500	$42,662,000	194,632,500	108,501,000
Philadelphia	20,020,000		20,020,000	12,050,000
Cleveland	8,627,500		8,627,500	5,437,000
Richmond	4,174,000		4,174,000	2,793,000
Atlanta	4,383,500	300,000	4,683,500	3,560,000
Chicago	2,299,500		2,299,500	1,641,000
St. Louis	1,228,000		1,228,000	1,022,000
Minneapolis	2,420,500	50,000	2,470,500	1,225,000
Kansas City	1,075,500		1,075,500	800,500
Dallas	3,571,500		3,571,500	2,542,000
San Francisco	4,516,000		4,516,000	2,706,000
Treasury	4,000	25,000	29,000	29,000
Total	207,111,000	43,037,000	250,148,000	144,372,000

Exhibit 5

Offering of Treasury certificates, First Series (2 per cent) (press releases, February 20 and March 6, 1932, and Department Circular No. 456, March 5, 1932)

February 20, 1932.

Secretary Mills to-day announced that in connection with the campaign initiated by the President to put idle money to work, the Treasury Department proposes to offer, on or about March 7, a special Treasury certificate. The certificates will probably have a maturity of a year and will be redeemable upon 60 days' notice by the holders. The interest rate will be announced at the time of the formal offering, but in all probability will be in line with the current yield on 60-day Government obligations, and not less than 1½ per cent. The certificates will be issued only in coupon form and in denominations of $50, $100, and $500.

The certificates will be available to purchasers through the banks. The banks, in turn, can, if they so desire, obtain the certificates through the so-called War Loan Deposit Account with the Federal reserve banks. Under the well-established War Loan deposit system banks may subscribe for Government obligations and pay for them by means of a deposit to the credit of the Federal reserve banks as fiscal agents of the United States. Inasmuch as payment by means of this method is in the form of credit, should funds for the purchase of certificates be withdrawn by depositors of the subscribing bank, they will automatically be replaced by a Government deposit, which will remain with the bank until called for by the Treasury.

Should the certificates be purchased with currency held outside of banks, the banks receiving the subscriptions will gain the cash deposited by the subscriber, while they may pay for the certificates delivered to the subscriber by means of a deposit credit for the account of the Government.

Those banks which are not at present designated to act as War Loan depositaries may, upon complying with the Treasury regulations, obtain a depositary designation.

The offering of these special certificates will be entirely independent of the Treasury's March financing program.

MARCH 6, 1932.

The Secretary of the Treasury yesterday announced that the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, United States Treasury certificates, First Series, dated March 15, 1932, with interest from that date at the rate of 2 per cent per annum, maturing March 15, 1933, and redeemable before maturity at the option of the holders, at par and accrued interest, on 60 days' notice.

Almost any banking institution will handle subscriptions for these certificates or subscriptions may be made through the Federal reserve banks. The Secretary of the Treasury reserves the right to close the offering without prior notice.

The certificates will be issued only in bearer form and in denominations of $50, $100, and $500, with two interest coupons attached payable September 15, 1932, and March 15, 1933, respectively.

The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

These certificates will be exempt, both as to principal and interest, from all taxation, except estate and inheritance taxes.

The offering of these special certificates is not part of the Treasury's March financing program which will be separately announced, but is being made in connection with the campaign to put idle money to work, which campaign was initiated by the President and is now being conducted by the Citizens' Reconstruction Organization under the direction of Colonel Frank Knox.

A copy of the official circular is attached.

[Department Circular No. 456]

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, 2 per cent 1-year United States Treasury certificates, First Series, of an issue of certificates of indebtedness authorized by Section 5 of the act of Congress approved September 24, 1917, as amended.

DESCRIPTION OF CERTIFICATES

The certificates of this series will be dated March 15, 1932, and will bear interest from that date at the rate of 2 per cent per annum, payable semiannually. The certificates will be payable on March 15, 1933, and will be redeemable before maturity, at the option of the holders, at par and accrued interest, on 60 days' advance notice by the holders. The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Bearer certificates will be issued in denominations of $50, $100, and $500, with two interest coupons attached payable September 15, 1932, and March 15, 1933, respectively. Provision may be made for the interchange of certificates of different denominations, without charge by the United States, under rules and regulations prescribed by the Secretary of the Treasury. The certificates will not be issued in registered form.

The certificates of this series shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The certificates of this series will be accepted at par, during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the certificates. The certificates will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks, as fiscal agents of the United States. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks are authorized to act as official agencies.

The right is reserved to reject any subscription, in whole or in part, and to allot less than the amount of certificates applied for and to close the subscriptions

at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments, and allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for certificates allotted must be made on or before March 15, 1932, or on later allotment. If payment is made after March 15, 1932, it must include accrued interest from that date. After allotment and upon payment Federal Reserve banks may issue interim receipts pending delivery of the definitive certificates. Any qualified depositary will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district.

REDEMPTION BEFORE MATURITY

In order to secure redemption before maturity of certificates issued hereunder, a demand therefor in writing, describing the certificates by denomination, serial number, and aggregate amount, must be made by the holder; and the certificates, with unmatured coupons attached, accompanied by such demand, must be forwarded or delivered to a Federal reserve bank, at the holder's risk and expense. Sixty days after receipt of the certificates and demand at a Federal reserve bank, payment, at par and accrued interest, will be made.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts.

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
March 5, 1932.

To the Investor:

Almost any banking institution in the United States will handle your subscription for you, or you may make subscription direct to the Federal reserve bank of your district. Your special attention is invited to the terms of subscription, allotment, and redemption as stated above.

EXHIBIT 6

Allotments, Treasury certificates, First Series (from press release, April 12, 1932, and from letter of Under Secretary Ballantine, April 25, 1932)

Secretary of the Treasury Mills announced that subscription books for the offering of 2 per cent United States Treasury certificates, First Series, dated March 15, 1932, maturing March 15, 1933, closed at the close of business, Wednesday, April 13, 1932. Allotments were made for the several Federal reserve districts and the Treasury as follows:

Boston	$671,250
New York	6,750,600
Philadelphia	1,530,950
Cleveland	2,442,750
Richmond	1,531,700
Atlanta	3,053,550
Chicago	10,230,750
St. Louis	1,692,600
Minneapolis	588,800
Kansas City	2,436,050
Dallas	2,929,100
San Francisco	1,085,700
Treasury	15,750
Total	34,959,550

Exhibit 7

Offering of certificates of indebtedness, Series TO–1932 (3⅛ per cent) and Series TM–1933 (3¾ per cent) (press release, March 7, 1932, with Department Circular No. 458)

The Treasury is to-day offering for subscription, at par and accrued interest, through the Federal reserve banks, $900,000,000, or thereabouts, Treasury certificates of indebtedness in two series, both dated and bearing interest from March 15, 1932; one series, TO–1932, being for 7 months, with interest at the rate of 3⅛ per cent, and maturing October 15, 1932, and the other series, TM–1933, being for 12 months, with interest at the rate of 3¾ per cent, and maturing March 15, 1933. The amount of the offering of 3⅛ per cent 7-month certificates is $300,000,000, or thereabouts, and the amount of the offering of 3¾ per cent 12-month certificates is $600,000,000, or thereabouts.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new certificates of either or both series, at par, Treasury certificates of indebtedness of Series TM–1932, maturing March 15, 1932, and subscriptions in payment of which such Treasury certificates of indebtedness are tendered will be given preferred allotment.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates of Series TO–1932 will have one interest coupon attached, payable October 15, 1932, and the certificates of Series TM–1933, two interest coupons attached, payable September 15, 1932, and March 15, 1933, respectively.

These certificates will be exempt, both as to principal and interest, from all taxation, except estate and inheritance taxes.

About $624,000,000 of Treasury certificates of indebtedness and about $35,000,000 in interest payments on the public debt become due and payable on March 15, 1932.

The text of the official circular follows:

[Department Circular No. 458]

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal reserve banks, $900,000,000, or thereabouts, Treasury certificates of indebtedness, in two series, both dated and bearing interest from March 15, 1932.

The certificates of Series TO–1932 will be payable on October 15, 1932, with interest at the rate of 3⅛ per cent per annum, payable on an annual basis. The amount of the offering of this series will be $300,000,000, or thereabouts.

The certificates of Series TM–1933 will be payable on March 15, 1933, with interest at the rate of 3¾ per cent per annum, payable semiannually. The amount of the offering of this series will be $600,000,000, or thereabouts.

The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Applications will be received at the Federal reserve banks.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates of Series TO–1932 will have one interest coupon attached, payable on October 15, 1932, and the certificates of Series TM–1933 will have two interest coupons attached, payable on September 15, 1932, and March 15, 1933, respectively.

The certificates of these series shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The certificates of these series will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the certificates. The certificates of these series will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

The right is reserved to reject any subscription, in whole or in part, and to allot less than the amount of certificates of either or both series applied for and to close the subscriptions as to either or both series at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and

allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

Payment at par and accrued interest for certificates allotted must be made on or before March 15, 1932, or on later allotment. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive certificates. Any qualified depositary will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Treasury certificates of indebtedness of Series TM–1932, maturing March 15, 1932, will be accepted at par in payment for any certificates of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the certificates of the series so paid for. Subscriptions for which payment is to be tendered in Treasury certificates of indebtedness of Series TM–1932, maturing March 15, 1932, will be give preferred allotment.

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts.

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
March 7, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

EXHIBIT 8

Subscriptions and allotments, certificates of indebtedness, Series TO–1932 and Series TM–1933 (from press releases, March 9, 11, and 12, 1932, revised[1]*)*

Secretary Mills announced that the subscription books for the current offering of 7-month 3⅛ per cent Treasury certificates of indebtedness of Series TO–1932, maturing October 15, 1932, and 12-month 3¾ per cent Treasury certificates of indebtedness of Series TM–1933, maturing March 15, 1933, closed at the close of business, Tuesday, March 8, 1932.

Secretary Mills called attention to the fact that this notice of closing relates to the 3⅛ per cent and 3¾ per cent Treasury certificates of indebtedness, and does not apply to the 2 per cent Treasury certificates, First Series, offered in connection with the campaign of the Citizens' Reconstruction Organization. The subscription books for the 2 per cent Treasury certificates will remain open until further notice.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TO–1932

Reports received from the Federal reserve banks showed that for the offering of 3⅛ per cent certificates of indebtedness of Series TO–1932, which was for $300,000,000, or thereabouts, total subscriptions aggregated $952,619,500. Of these subscriptions $82,593,500 represented exchange subscriptions in payment for which Treasury certificates of indebtedness maturing March 15, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the certificates of Series TO–1932 were made as follows: Subscriptions in amounts not exceeding $1,000 were allotted in full. Subscriptions in amounts over $1,000, but not exceeding $10,000, were allotted 80 per cent, but not less than $1,000 on any one subscription; subscriptions in amounts over $10,000, but not exceeding $100,000, were allotted 60 per cent, but not less than $8,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 40 per cent, but not less than $60,000 on any one subscription; subscriptions over $1,000,000, but not exceeding $10,000,000, were allotted 25 per cent, but not less than $400,000 on any one subscription; and subscriptions in amounts over $10,000,000 were allotted 15 per cent, but not less than $2,500,000 on any one subscription.

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[1] Revised Mar. 24, 1932.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TM-1933

For the offering of 3¾ per cent Treasury certificates of indebtedness of Series TM-1933, which was for $600,000,000, or thereabouts, total subscriptions aggregated $2,450,606,000. Of these subscriptions, $414,071,500 represented exchange subscriptions in payment for which Treasury certificates of indebtedness maturing March 15, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the certificates of Series TM-1933 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted 50 per cent, but not less than $500 on any one subscription; subscriptions in amounts over $10,000, but not exceeding $100,000, were allotted 30 per cent, but not less than $5,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 15 per cent, but not less than $30,000 on any one subscription; subscriptions in amounts over $1,000,000, but not exceeding $25,000,000, were allotted 10 per cent, but not less than $150,000 on any one subscription; and subscriptions in amounts over $25,000,000 were allotted 5 per cent, but not less than $2,500,000 on any one subscription.

Subscriptions and allotments for the two issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions received	Total subscriptions allotted
	Treasury certificates of indebtedness, Series TO-1932			
Boston	$77,889,000	$2,417,000	$80,306,000	$26,693,500
New York	469,848,000	52,340,000	522,188,000	168,191,500
Philadelphia	40,866,000	1,775,000	42,641,000	18,275,000
Cleveland	39,582,500	421,500	40,004,000	15,038,500
Richmond	46,816,500	105,000	46,921,500	13,682,500
Atlanta	35,999,000	292,000	36,291,000	18,217,000
Chicago	46,284,500	16,699,500	62,981,000	30,226,500
St. Louis	6,500,500	267,500	6,768,000	3,624,500
Minneapolis	8,199,000	399,000	8,598,000	3,734,500
Kansas City	5,888,500	3,730,000	9,618,500	6,450,000
Dallas	18,134,000	295,000	18,429,000	10,122,000
San Francisco	73,943,500	3,852,000	77,795,500	19,192,000
Treasury	75,000		75,000	45,000
Total	870,026,000	82,593,500	952,619,500	333,492,500
	Treasury certificates of indebtedness, Series TM-1933			
Boston	$81,611,500	$25,214,500	$106,826,000	$38,798,500
New York	1,122,473,000	309,359,500	1,431,832,500	419,842,000
Philadelphia	166,400,500	9,115,000	175,515,500	33,350,000
Cleveland	87,752,000	898,000	88,650,000	14,885,500
Richmond	66,589,500	142,000	66,731,500	11,341,500
Atlanta	67,918,000	1,505,000	69,441,000	16,267,000
Chicago	173,196,500	43,548,500	216,745,000	68,520,500
St. Louis	19,852,000	2,761,000	22,613,000	6,355,000
Minneapolis	31,160,500	1,486,500	32,647,000	6,558,500
Kansas City	24,862,500	9,504,000	34,366,500	13,352,000
Dallas	34,718,000	1,876,000	36,594,000	9,123,500
San Francisco	159,900,000	6,246,500	166,146,500	19,880,000
Treasury	82,500	2,415,000	2,497,500	2,441,500
Total	2,036,516,500	414,071,500	2,450,606,000	660,715,500

Exhibit 9

Offering of certificates of indebtedness, Series B-1933 (2 per cent) and Treasury notes Series A-1934 (3 per cent) (press release, April 25, 1932, with Department Circulars Nos. 460 and 461)

The Treasury is to-day offering for subscription at par and accrued interest, through the Federal reserve banks, $225,000,000, or thereabouts, 3 per cent 2-year Treasury notes of Series A-1934, and $225,000,000, or thereabouts, 2 per cent 1-year certificates of indebtedness of Series B-1933.

The Treasury notes will be dated May 2, 1932, and will bear interest from that date at the rate of 3 per cent per annum, payable semiannually. They will mature on May 2, 1934, and will not be subject to call for redemption prior to that date.

The certificates of indebtedness will be dated May 2, 1932, and will bear interest from that date at the rate of 2 per cent per annum, payable semiannually. They will mature on May 2, 1933.

The principal and interest of the Treasury notes and Treasury certificates of indebtedness will be payable in United States gold coin of the present standard of value.

The Treasury notes and Treasury certificates of indebtedness will be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

Applications will be received at the Federal reserve banks.

The Treasury notes will be issued in bearer form only, in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000, with interest coupons attached payable semiannually on November 2 and May 2 in each year. The certificates of indebtedness will be issued in bearer form only, in denominations of $500, $1,000, $5,000, $10,000, and $100,000, with two interest coupons attached, payable November 2, 1932, and May 2, 1933, respectively.

The present offering of certificates and notes is made in accordance with the financial program of the Treasury projected in January when it was estimated that the amount which would be required to be borrowed during the remainder of the fiscal year, in addition to amounts for refunding, would be approximately $1,500,000,000. The estimate then made appears to have been substantially correct.

[Department Circular No. 460]

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal reserve banks, $225,000,000, or thereabouts, Treasury certificates of indebtedness of Series B-1933, dated and bearing interest from May 2, 1932.

DESCRIPTION OF CERTIFICATES

The certificates of this series will be payable on May 2, 1933, with interest at the rate of 2 per cent per annum, payable semiannually.

The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates will have two interest coupons attached, payable on November 2, 1932, and May 2, 1933, respectively.

The certificates of this series shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The certificates of this series will not be acceptable in payment of taxes.

The certificates of this series will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks.

The right is reserved to reject any subscription, in whole or in part, and to allot less than the amount of certificates applied for and to close the subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for certificates allotted must be made on or before May 2, 1932, or on later allotment. Any qualified depositary will be

permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive certificates.

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
April 25, 1932.

(For letter to the investor see Exhibit 1, Department Circular No. 451, p. 222.)

[Department Circular No. 461]

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, $225,000,000, or thereabouts, 3 per cent Treasury notes of Series A–1934, of an issue of gold notes of the United States authorized by the act of Congress approved September 24, 1917, as amended.

DESCRIPTION OF NOTES

The notes will be dated and bear interest from May 2, 1932, will be payable on May 2, 1934, and will bear interest at the rate of 3 per cent per annum, payable semiannually on November 2 and May 2 in each year. The notes will not be subject to call for redemption prior to maturity.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.[2] * * *

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
April 25, 1932.

(For letter to the investor see Exhibit 1, Department Circular No. 451, p. 222.)

EXHIBIT 10

Subscriptions and allotments, certificates of indebtedness, Series B–1933, and Treasury notes, Series A–1934 (from press releases, April 26, 28, and 30, 1932)

Acting Secretary Ballantine announced that the subscription books for the current offering of 1-year 2 per cent Treasury certificates of indebtedness of Series B–1933, maturing May 2, 1933, and 2-year 3 per cent Treasury notes of Series A–1934, maturing May 2, 1934, closed at the close of business, Monday, April 25, 1932.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES B-1933

Reports received from the Federal reserve banks showed that for the offering of 2 per cent Treasury certificates of indebtedness of Series B–1933, which was for $225,000,000, or thereabouts, total subscriptions aggregated $1,699,868,000. Allotments on subscriptions for this series of certificates were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted 50 per cent, but not less than $500 on any one subscription; subscriptions in amounts over $10,000,

[2] Omitted portions are similar to corresponding sections of Department Circular No. 460, p 234.

but not exceeding $100,000, were allotted 40 per cent, but not less than $5,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 20 per cent, but not less than $40,000 on any one subscription; subscriptions over $1,000,000, but not exceeding $5,000,000, were allotted 10 per cent, but not less than $200,000 on any one subscription; and subscriptions in amounts over $5,000,000 were allotted 7 per cent, but not less than $500,000 on any one subscription.

TREASURY NOTES, SERIES A-1934

For the offering of 3 per cent Treasury notes of Series A-1934, which was for $225,000,000, or thereabouts, total subscriptions aggregated $2,496,928,700. Allotments on subscriptions for this series of notes were made on the basis explained above for certificates of Series B-1933, except for subscriptions in amounts over $5,000,000, which were allotted 4 per cent, but not less than $350,000 on any one subscription.

Subscriptions and allotments for the two issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total subscriptions received	Total subscriptions allotted	Federal reserve district	Total subscriptions received	Total subscriptions allotted
	Treasury certificates of indebtedness, Series B-1933			Treasury notes, Series A-1934	
Boston	$123,731,000	$21,755,500	Boston	$138,846,700	$18,423,800
New York	976,811,500	106,844,500	New York	1,355,426,000	105,312,800
Philadelphia	136,700,000	25,960,000	Philadelphia	232,500,000	27,870,000
Cleveland	64,919,500	12,206,500	Cleveland	85,203,500	11,225,800
Richmond	39,218,000	7,528,000	Richmond	73,210,500	12,041,000
Atlanta	63,165,000	20,228,000	Atlanta	80,271,000	17,322,200
Chicago	101,328,500	16,564,000	Chicago	205,422,300	19,518,400
St. Louis	23,346,000	4,178,500	St. Louis	26,326,000	4,132,100
Minneapolis	15,015,500	2,364,000	Minneapolis	17,365,100	2,095,700
Kansas City	12,505,000	1,941,500	Kansas City	19,050,400	3,107,000
Dallas	20,312,500	5,920,500	Dallas	21,359,700	5,659,100
San Francisco	119,782,500	13,706,000	San Francisco	238,942,500	17,494,200
			Treasury	5,000	2,500
Total	1,699,868,000	239,197,000	Total	2,496,928,700	241,234,600

EXHIBIT 11

Offering of certificates of indebtedness, Series TJ-1933 (1½ per cent) and Treasury notes, Series A-1935 (3 per cent) (press release, June 6, 1932, with Department Circulars Nos. 462 and 463)

The Treasury is to-day offering for subscription at par and accrued interest, through the Federal reserve banks, $400,000,000, or thereabouts, 3 per cent 3-year Treasury notes of Series A-1935, and $350,000,000, or thereabouts, 1½ per cent 1-year certificates of indebtedness of Series TJ-1933.

The Treasury notes will be dated June 15, 1932, and will bear interest from that date at the rate of 3 per cent per annum, payable semiannually. They will mature June 15, 1935, and will not be subject to call for redemption prior to that date.

The certificates of indebtedness will be dated June 15, 1932, and will bear interest from that date at the rate of 1½ per cent per annum, payable semiannually. They will mature June 15, 1933.

The principal and interest of the Treasury notes and Treasury certificates of indebtedness will be payable in United States gold coin of the present standard of value.

The Treasury notes and Treasury certificates of indebtedness will be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new Treasury notes and certificates of indebtedness,

at par, Treasury certificates of indebtedness of Series TJ–1932, maturing June 15, 1932, and subscriptions in payment of which such Treasury certificates of indebtedness are tendered will be given preferred allotment.

The Treasury notes will be issued in bearer form only, in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000, with interest coupons attached payable semiannually on December 15 and June 15 in each year. The certificates of indebtedness will be issued in bearer form only, in denominations of $500, $1,000, $5,000, $10,000, and $100,000, with two interest coupons attached, payable on December 15, 1932, and June 15, 1933.

About $324,578,500 of Treasury certificates of indebtedness and about $100,000,000 in interest payments on the public debt become due and payable on June 15, 1932.

The texts of the official circulars follow:

[Department Circular No. 462]

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal reserve banks, $350,000,000, or thereabouts, Treasury certificates of indebtedness of Series TJ–1933.

DESCRIPTION OF CERTIFICATES

The certificates of this series will be dated June 15, 1932, and will bear interest from that date at the rate of 1½ per cent per annum, payable semiannually. They will be payable on June 15, 1933.

The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates will have two interest coupons attached, payable on December 15, 1932, and June 15, 1933.

The certificates of this series shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The certificates of this series will be accepted at par, during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the certificates.

The certificates of this series will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks.

Subscriptions for which payment is to be tendered in Treasury certificates of indebtedness of Series TJ–1932, maturing June 15, 1932, will be given preferred allotment.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to allot less than the amount of certificates applied for and to close the subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for certificates allotted must be made on or before June 15, 1932, or on later allotment. Any qualified depositary will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Treasury certificates of indebtedness of Series TJ–1932, maturing June 15, 1932, will be accepted at par in payment for any certificates of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the certificates of the series so paid for.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive certificates.

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
June 6, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. .222)

[Department Circular No. 463]

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, $400,000,000, or thereabouts, 3 per cent Treasury notes of Series A–1935, of an issue of gold notes of the United States authorized by the act of Congress approved September 24, 1917, as amended.

DESCRIPTION OF NOTES

The notes will be dated June 15, 1932, and will bear interest from that date at the rate of 3 per cent per annum, payable semiannually on December 15 and June 15 in each year. They will mature June 15, 1935, and will not be subject to call for redemption prior to maturity.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.[3] * * *

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
June 6, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

EXHIBIT 12

Subscriptions and allotments, certificates of indebtedness, Series TJ–1933, and Treasury notes, Series A–1935 (from press releases, June 8, 10, and 15, 1932)

Secretary Mills to-day announced that the subscription books for the current offering of 1-year 1½ per cent Treasury certificates of indebtedness of Series TJ–1933, maturing June 15, 1933, and 3-year 3 per cent Treasury notes of Series A–1935, maturing June 15, 1935, closed at the close of business, Tuesday, June 7, 1932.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TJ–1933

Reports received from the Federal reserve banks showed that for the offering of 1½ per cent Treasury certificates of indebtedness, Series TJ–1933, which was for $350,000,000, or thereabouts, total subscriptions aggregated $1,653,814,000. Of these subscriptions $113,131,500 represented exchange subscriptions in payment for which Treasury certificates of indebtedness, maturing June 15, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the certificates of Series TJ–1933 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted 50 per cent, but not less than $500 on any one subscription; subscriptions in amounts over $10,000,

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[3] Omitted portions are similar to corresponding sections of Department Circular No. 462, p. 237.

but not exceeding $100,000, were allotted 40 per cent, but not less than $5,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 20 per cent, but not less than $40,000 on any one subscription; and subscriptions in amounts over $1,000,000 were allotted 10 per cent, but not less than $200,000 on any one subscription.

TREASURY NOTES, SERIES A–1935

For the offering of 3 per cent Treasury notes of Series A–1935, which was for $400,000,000, or thereabouts, total subscriptions aggregated $1,143,563,400. Of these subscriptions $134,759,300 represented exchange subscriptions in payment for which Treasury certificates, maturing June 15, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the Treasury notes of Series A–1935 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted 80 per cent, but not less than $100 on any one subscription; subscriptions in amounts over $10,000, but not exceeding $100,000, were allotted 50 per cent, but not less than $8,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $1,000,000, were allotted 30 per cent, but not less than $50,000 on any one subscription; subscriptions in amounts over $1,000,000, but not exceeding $25,000,000, were allotted 20 per cent, but not less than $300,000 on any one subscription; and subscriptions in amounts over $25,000,000 were allotted 15 per cent, but not less than $5,000,000 on any one subscription.

Subscriptions and allotments for the two issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions received	Total subscriptions allotted
	Treasury certificates of indebtedness, Series TJ–1933			
Boston	$67, 141, 000	$6, 620, 500	$73, 761, 500	$20, 992, 500
New York	805, 881, 000	64, 100, 000	869, 981, 000	178, 239, 500
Philadelphia	114, 989, 500	1, 780, 000	116, 769, 500	24, 800, 000
Cleveland	78, 231, 000	714, 500	78, 945, 500	17, 024, 000
Richmond	51, 661, 000	467, 000	52, 128, 000	14, 149, 000
Atlanta	63, 961, 000	425, 000	64, 386, 000	19, 144, 000
Chicago	137, 529, 000	23, 308, 500	160, 837, 500	45, 125, 500
St. Louis	13, 617, 000	4, 506, 000	18, 123, 000	7, 504, 000
Minneapolis	11, 339, 500	1, 062, 000	12, 401, 500	2, 775, 000
Kansas City	17, 192, 500	3, 236, 500	20, 429, 000	6, 725, 500
Dallas	46, 129, 000	42, 500	46, 171, 500	12, 891, 000
San Francisco	132, 981, 000	6, 822, 500	139, 803, 500	24, 428, 000
Treasury	30, 000	46, 500	76, 500	58, 500
Total	1, 540, 682, 500	113, 131, 500	1, 653, 814, 000	373, 856, 500
	Treasury notes, Series A–1935			
Boston	$43, 840, 400	$3, 547, 000	$47, 387, 400	$20, 974, 300
New York	473, 767, 900	83, 644, 300	557, 412, 200	201, 167, 500
Philadelphia	73, 816, 500	698, 000	74, 514, 500	21, 500, 000
Cleveland	71, 120, 900	245, 000	71, 365, 900	20, 821, 300
Richmond	22, 770, 400	52, 000	22, 822, 400	9, 251, 600
Atlanta	23, 780, 200	517, 000	24, 297, 200	10, 577, 400
Chicago	105, 665, 400	25, 311, 500	130, 976, 900	57, 440, 300
St. Louis	18, 637, 500	6, 385, 000	25, 022, 500	13, 791, 900
Minneapolis	13, 552, 000	2, 833, 000	16, 385, 000	6, 598, 800
Kansas City	26, 376, 000	4, 287, 000	30, 663, 000	11, 991, 600
Dallas	27, 189, 300		27, 189, 300	11, 928, 300
San Francisco	108, 276, 100	4, 159, 500	112, 435, 600	27, 470, 600
Treasury	11, 500	3, 080, 000	3, 091, 500	3, 089, 200
Total	1, 008, 804, 100	134, 759, 300	1, 143, 563, 400	416, 602, 800

Exhibit 13

Offering of Treasury notes, Series B–1934 (2⅛ per cent) and Series A–1936 (3¼ per cent) (press release, July 25, 1932, with Department Circular No. 465)

The Treasury is to-day offering for subscription, at par and accrued interest, through the Federal reserve banks, $650,000,000, or thereabouts, Treasury notes in two series, both dated and bearing interest from August 1, 1932. One series, offered in the amount of $325,000,000, or thereabouts, is for two years, with interest at the rate of 2⅛ per cent, and matures on August 1, 1934. The other series also offered in the amount of $325,000,000, or thereabouts, is for four years, with interest at the rate of 3¼ per cent, and matures on August 1, 1936. The notes will not be subject to call for redemption prior to maturity.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

The notes will be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new Treasury notes, at par, Treasury certificates of indebtedness of Series A–1932, maturing August 1, 1932, and subscriptions in payment of which such Treasury certificates of indebtedness are tendered will be given preferred allotment.

The Treasury notes will be issued in bearer form only, in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The interest on the notes will be payable semiannually on February 1 and August 1, in each year.

Outstanding certificates of indebtedness in the amount of $227,631,000 are due on August 1, 1932. The new offering will provide funds for this maturity, and also to meet current financial requirements, principally for the Reconstruction Finance Corporation.

The text of the official circular follows:

[Department Circular No. 465]

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal reserve banks, $650,000,000, or thereabouts, Treasury notes, in two series.

DESCRIPTION OF NOTES

The notes of Series B–1934 will be dated August 1, 1932, and will bear interest from that date at the rate of 2⅛ per cent per annum, payable semiannually on February 1 and August 1 in each year. They will mature August 1, 1934, and will not be subject to call for redemption prior to maturity. The amount of the offering of this series is $325,000,000, or thereabouts.

The notes of Series A–1936 will be dated August 1, 1932, and will bear interest from that date at the rate of 3¼ per cent per annum, payable semiannually on February 1 and August 1 in each year. They will mature August 1, 1936, and will not be subject to call for redemption prior to maturity. The amount of the offering of this series is $325,000,000, or thereabouts.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.

The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The notes will not be acceptable in payment of taxes.

The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks.

Subscriptions for which payment is to be tendered in Treasury certificates of indebtedness of Series A-1932, maturing August 1, 1932, will be given preferred allotment.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to allot less than the amount of notes of either or both series applied for and to close the subscriptions as to either or both series at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for notes allotted must be made on or before August 1, 1932, or on later allotment. Any qualified depositary will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Treasury certificates of indebtedness of Series A-1932, maturing August 1, 1932, will be accepted at par in payment for any notes of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the notes of the series so paid for.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive notes.

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
July 25, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

EXHIBIT 14

Subscriptions and allotments, Treasury notes, Series B-1934 and Series A-1936 (from press releases, July 26 and 28 and August 2, 1932)

Secretary Mills to-day announced that the subscription books for the current offering of 2-year 2⅛ per cent Treasury notes of Series B-1934, maturing August 1, 1934, and 4-year 3¼ per cent Treasury notes of Series A-1936, maturing August 1, 1936, closed at the close of business, Monday, July 25, 1932.

TREASURY NOTES, SERIES B-1934

Reports received from the Federal reserve banks showed that for the offering of 2⅛ per cent Treasury notes of Series B-1934, maturing August 1, 1934, which was for $325,000,000, or thereabouts, total subscriptions aggregated $1,706,626,800. Of these subscriptions, $37,740,000 represented exchange subscriptions, in payment for which Treasury certificates of indebtedness, maturing August 1, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the Treasury notes of Series B-1934 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted 60 per cent, but not less than $100 on any one subscription; subscriptions in amounts over $10,000, but not exceeding $100,000, were allotted 40 per cent, but not less than $6,000 on any one subscription; subscriptions in amounts over $100,000, but not exceeding $500,000, were allotted 30 per cent, but not less than $40,000 on any one subscription; subscriptions in amounts over $500,000, but not exceeding $1,000,000,

were allotted 20 per cent, but not less than \$150,000 on any one subscription; subscriptions in amounts over \$1,000,000, but not exceeding \$25,000,000, were allotted 15 per cent, but not less than \$200,000 on any one subscription; subscriptions in amounts over \$25,000,000, but not exceeding \$100,000,000, were allotted 10 per cent, but not less than \$3,750,000 on any one subscription; and subscriptions in amounts over \$100,000,000 were allotted 5 per cent, but not less than \$10,000,000 on any one subscription.

TREASURY NOTES, SERIES A–1936

For the offering of 3¼ per cent Treasury notes of Series A–1936, maturing August 1, 1936, which was for \$325,000,000, or thereabouts, total subscriptions aggregated \$3,804,722,700. Of these subscriptions \$139,466,500 represented exchange subscriptions in payment for which Treasury certificates, maturing August 1, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the Treasury notes of Series A–1936 were made as follows: Subscriptions in amounts not exceeding \$1,000 were allotted 50 per cent, but not less than \$100 on any one subscription; subscriptions in amounts over \$1,000, but not exceeding \$10,000, were allotted 25 per cent, but not less than \$500 on any one subscription; subscriptions in amounts over \$10,000, but not exceeding \$100,000, were allotted 10 per cent, but not less than \$2,500 on any one subscription; subscriptions in amounts over \$100,000, but not exceeding \$1,000,000, were allotted 8 per cent, but not less than \$10,000 on any one subscription; subscriptions in amounts over \$1,000,000, but not exceeding \$10,000,000, were allotted 5 per cent, but not less than \$80,000 on any one subscription; subscriptions in amounts over \$10,000,000, but not exceeding \$100,000,000, were allotted 3 per cent, but not less than \$500,000 on any one subscription; and subscriptions in amounts over \$100,000,000 were allotted 2 per cent, but not less than \$3,000,000 on any one subscription.

Subscriptions and allotments for the two issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions received	Total subscriptions allotted
	Treasury notes, Series B–1934			
Boston	\$62, 101, 500	\$458, 000	\$62, 559, 500	\$17, 911, 700
New York	865, 812, 200	27, 722, 000	893, 534, 200	189, 141, 400
Philadelphia	92, 020, 000		92, 020, 000	23, 200, 000
Cleveland	79, 455, 500	270, 000	79, 725, 500	19, 214, 900
Richmond	36, 657, 500	125, 000	36, 782, 500	12, 024, 900
Atlanta	51, 106, 000		51, 106, 000	16, 818, 400
Chicago	71, 560, 700	7, 528, 000	79, 088, 700	23, 051, 000
St. Louis	8, 527, 500	24, 000	8, 551, 500	2, 387, 500
Minneapolis	9, 683, 800		9, 683, 800	2, 320, 300
Kansas City	15, 564, 000	1, 000	15, 565, 000	3, 634, 400
Dallas	25, 022, 100	12, 000	25, 034, 100	8, 660, 500
San Francisco	351, 376, 000	1, 600, 000	352, 976, 000	26, 927, 600
Total	1, 668, 886, 800	37, 740, 000	1, 706, 626, 800	345, 292, 600
	Treasury notes, Series A–1936			
Boston	\$191, 419, 000	\$15, 933, 500	\$207, 352, 500	\$32, 715, 700
New York	1, 845, 959, 000	101, 219, 500	1, 947, 178, 500	207, 837, 500
Philadelphia	359, 216, 400	1, 251, 500	360, 467, 900	22, 920, 000
Cleveland	195, 431, 900	854, 500	196, 286, 400	14, 866, 900
Richmond	71, 984, 200	275, 000	72, 259, 200	6, 961, 800
Atlanta	122, 547, 100	230, 000	122, 777, 100	12, 308, 700
Chicago	298, 782, 200	11, 807, 500	310, 589, 700	30, 718, 100
St. Louis	46, 941, 500	1, 864, 000	48, 805, 500	5, 576, 100
Minneapolis	18, 073, 400	186, 000	18, 259, 400	1, 883, 800
Kansas City	33, 128, 200	593, 000	33, 721, 200	3, 405, 500
Dallas	64, 860, 400	44, 000	64, 904, 400	6, 672, 200
San Francisco	416, 893, 200	5, 118, 000	422, 011, 200	19, 175, 000
Treasury	19, 700	90, 000	109, 700	96, 700
Total	3, 665, 256, 200	139, 466, 500	3, 804, 722, 700	365, 138, 000

EXHIBIT 15

Offering of Treasury notes, Series A-1937 (3¼ per cent) and certificates of indebtedness, Series TS-1933 (1¼ per cent) (press release, September 6, 1932, with Department Circulars Nos. 468 and 469)

The Treasury is to-day offering for subscription at par and accrued interest, through the Federal reserve banks, $750,000,000, or thereabouts, 3¼ per cent 5-year Treasury notes of Series A-1937, and $400,000,000, or thereabouts, 1¼ per cent 1-year certificates of indebtedness of Series TS-1933.

The Treasury notes will be dated September 15, 1932, and will bear interest from that date at the rate of 3¼ per cent per annum, payable semiannually. They will mature on September 15, 1937, and will not be subject to call for redemption prior to that date.

The certificates of indebtedness will be dated September 15, 1932, and will bear interest from that date at the rate of 1¼ per cent per annum, payable semiannually. They will mature on September 15, 1933.

The principal and interest of the Treasury notes and Treasury certificates of indebtedness will be payable in United States gold coin of the present standard of value.

The Treasury notes and Treasury certificates of indebtedness will be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new Treasury notes and certificates of indebtedness, at par, Treasury certificates of indebtedness of Series TS-1932 and TS2-1932, both maturing September 15, 1932, and subscriptions in payment of which such Treasury certificates of indebtedness are tendered will be given preferred allotment.

The Treasury notes will be issued in bearer form only, in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000, with interest coupons attached payable semiannually on March 15 and September 15 in each year. The certificates of indebtedness will be issued in bearer form only, in denominations of $500, $1,000, $5,000, $10,000, and $100,000, with two interest coupons attached, payable March 15, 1933, and September 15, 1933.

About $712,504,500 of Treasury certificates of indebtedness and about $50,000,000 in interest payments on the public debt become due and payable on September 15, 1932.

The texts of the official circulars follow:

[Department Circular No. 468]

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal Reserve Banks, $750,000,000, or thereabouts, 3¼ per cent Treasury notes of Series A-1937, of an issue of gold notes of the United States authorized by the act of Congress approved September 24, 1917, as amended.

DESCRIPTION OF NOTES

The notes will be dated September 15, 1932, and will bear interest from that date at the rate of 3¼ per cent per annum, payable semiannually on March 15 and September 15 in each year. They will mature September 15, 1937, and will not be subject to call for redemption prior to maturity.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.

The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The notes will be accepted at par, during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the notes.

The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks.

Subscriptions for which payment is to be tendered in Treasury certificates of indebtedness of Series TS–1932 and TS2–1932, both maturing September 15, 1932, will be given preferred allotment.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to allot less than the amount of notes applied for and to close the subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for notes allotted must be made on or before September 15, 1932, or on later allotment. Any qualified depositary will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Treasury certificates of indebtedness of Series TS–1932 and TS2–1932, both maturing September 15, 1932, will be accepted at par in payment for any notes of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the notes of the series so paid for.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive notes.

Ogden L. Mills,
Secretary of the Treasury.

Treasury Department,
Office of the Secretary,
September 6, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

[Department Circular No. 469]

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal reserve banks, $100,000,000, or thereabouts, Treasury certificates of indebtedness of Series TS–1933.

DESCRIPTION OF CERTIFICATES

The certificates of this series will be dated September 15, 1932, and will bear interest from that date at the rate of $1\frac{1}{4}$ per cent per annum, payable semiannually. They will be payable on September 15, 1933.

The principal and interest of the certificates will be payable in United States gold coin of the present standard of value.

Bearer certificates will be issued in denominations of $500, $1,000, $5,000, $10,000, and $100,000. The certificates will have two interest coupons attached, payable on March 15, 1933, and September 15, 1933.[4] * * *

Ogden L. Mills,
Secretary of the Treasury.

Treasury Department,
Office of the Secretary,
September 6, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

[4] Omitted portions are similar to corresponding sections of Department Circular No. 468, p. 243.

Exhibit 16

Subscriptions and allotments, Treasury notes, Series A–1937, and certificates of indebtedness, Series TS–1933 (from press releases, September 7, 10, and 14, 1932)

Secretary Mills announced that the subscription books for the current offering of 1-year 1¼ per cent Treasury certificates of indebtedness, Series TS–1933, maturing September 15, 1933, and 5-year 3¼ per cent Treasury notes of Series A–1937, maturing September 15, 1937, closed at the close of business Tuesday, September 6, 1932.

TREASURY NOTES, SERIES A–1937

Reports received from the Federal reserve banks showed that for the offering of 3¼ per cent Treasury notes of Series A–1937, which was for $750,000,000 or thereabouts, total subscriptions aggregated $4,351,749,900. Of these subscriptions, $408,439,000 represented exchange subscriptions, in payment for which Treasury certificates of indebtedness maturing September 15, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the Treasury notes of Series A–1937 were made as follows: Subscriptions in amounts not exceeding $1,000 were allotted 50 per cent, but not less than $100 on any one subscription; subscriptions in amounts over $1,000 but not exceeding $10,000 were allotted 30 per cent, but not less than $500 on any one subscription; subscriptions in amounts over $10,000 but not exceeding $100,000 were allotted 20 per cent, but not less than $3,000 on any one subscription; subscriptions in amounts over $100,000 but not exceeding $500,000 were allotted 15 per cent, but not less than $20,000 on any one subscription; subscriptions in amounts over $500,000 but not exceeding $1,000,000 were allotted 10 per cent, but not less than $75,000 on any one subscription; subscriptions in amounts over $1,000,000 but not exceeding $100,000,000 were allotted 8 per cent, but not less than $100,000 on any one subscription; and subscriptions in amounts over $100,000,000 were allotted 4 per cent, but not less than $8,000,000 on any one subscription.

TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TS–1933

Reports received from the Federal reserve banks showed that for the offering of 1¼ per cent Treasury certificates of indebtedness of Series TS–1933, which was for $400,000,000 or thereabouts, total subscriptions aggregated over $3,069,449,000. Of these subscriptions, $195,157,000 represented exchange subscriptions, in payment for which Treasury certificates of indebtedness maturing September 15, 1932, were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions for the Treasury certificates of indebtedness of Series TS–1933 were made as follows: Subscriptions in amounts not exceeding $10,000 were allotted 50 per cent, but not less than $500 on any one subscription; subscriptions in amounts over $10,000 but not exceeding $100,000 were allotted 20 per cent, but not less than $5,000 on any one subscription; subscriptions in amounts over $100,000 but not exceeding $1,000,000 were allotted 10 per cent, but not less than $20,000 on any one subscription; subscriptions in amounts over $1,000,000 but not exceeding $10,000,000 were allotted 7 per cent, but not less than $100,000 on any one subscription; subscriptions in amounts over $10,000,000 but not exceeding $100,000,000 were allotted 5 per cent, but not less than $700,000 on any one subscription; and subscriptions in amounts over $100,000,000 were allotted 3 per cent, but not less than $5,000,000 on any one subscription.

Subscriptions and allotments for the two issues were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions received	Total subscriptions allotted
	TREASURY NOTES, SERIES A-1937			
Boston	$241, 225, 600	$20, 473, 500	$261, 699, 100	$57, 947, 500
New York	2, 023, 551, 300	232, 108, 000	2, 255, 659, 300	426, 997, 900
Philadelphia	282, 852, 400	14, 335, 000	297, 187, 400	46, 200, 000
Cleveland	216, 797, 000	6, 139, 500	222, 936, 500	30, 719, 700
Richmond	96, 410, 100	2, 515, 000	98, 925, 100	18, 075, 200
Atlanta	124, 260, 500	3, 130, 500	127, 391, 000	22, 787, 200
Chicago	407, 485, 800	69, 852, 500	477, 338, 300	115, 858, 400
St. Louis	54, 367, 200	17, 674, 000	72, 041, 200	25, 343, 300
Minneapolis	26, 581, 800	4, 391, 000	30, 972, 800	7, 953, 000
Kansas City	52, 091, 900	11, 652, 000	63, 743, 900	17, 828, 300
Dallas	89, 189, 500	639, 000	89, 828, 500	15, 400, 200
San Francisco	328, 463, 500	19, 569, 000	348, 032, 500	43, 319, 600
Treasury	34, 300	5, 960, 000	5, 994, 300	5, 971, 200
Total	3, 943, 310, 900	408, 439, 000	4, 351, 749, 900	834, 401, 500
	TREASURY CERTIFICATES OF INDEBTEDNESS, SERIES TS-1933			
Boston	$153, 577, 000	$1, 641, 000	$155, 218, 000	$20, 889, 000
New York	1, 652, 058, 500	134, 878, 000	1, 786, 936, 500	266, 166, 500
Philadelphia	196, 107, 000	3, 140, 000	199, 247, 000	21, 550, 000
Cleveland	164, 475, 000	445, 000	164, 920, 000	16, 963, 000
Richmond	47, 860, 500	229, 000	48, 089, 500	8, 616, 500
Atlanta	113, 058, 500		113, 058, 500	15, 787, 000
Chicago	169, 398, 500	45, 205, 000	214, 603, 500	63, 315, 000
St. Louis	32, 067, 500	583, 000	32, 650, 500	4, 291, 500
Minneapolis	9, 289, 000	644, 000	9, 933, 000	1, 518, 000
Kansas City	27, 620, 000	1, 408, 500	29, 028, 500	3, 910, 500
Dallas	48, 955, 500	41, 000	48, 996, 500	8, 878, 500
San Francisco	259, 825, 000	6, 906, 000	266, 731, 000	19, 525, 000
Treasury		36, 500	36, 500	36, 500
Total	2, 874, 292, 000	195, 157, 000	3, 069, 449, 000	451, 447, 000

Exhibit 17

Offering of Treasury notes, Series B–1937 (3 per cent) (press release, October 6, 1932, with Department Circular No. 470)

The Treasury is to-day offering for subscription at par and accrued interest, through the Federal reserve banks, $450,000,000, or thereabouts, 3 per cent 4½-year Treasury notes of Series B–1937.

The notes will be dated October 15, 1932, and will bear interest from that date at the rate of 3 per cent per annum, payable semiannually. They will mature on April 15, 1937, and will not be subject to call for redemption prior to that date.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

The notes will be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

Applications will be received at the Federal reserve banks. The Treasury will accept in payment for the new notes, at par, Treasury certificates of indebtedness of Series TO–1932, maturing October 15, 1932, and subscriptions in payment of which such Treasury certificates of indebtedness are tendered will be given preferred allotment.

The notes will be issued in bearer form only, in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000, with interest coupons attached payable semiannually on April 15 and October 15 in each year.

About $333,492,500 of Treasury certificates of indebtedness and about $155,000,000 in interest payments on the public debt become due and payable on October 15, 1932.

The text of the official circular follows:

[Department Circular No. 470]

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, $450,000,000, or thereabouts, 3 per cent Treasury notes of Series B–1937, of an issue of gold notes of the United States authorized by the act of Congress approved September 24, 1917, as amended.

DESCRIPTION OF NOTES

The notes will be dated October 15, 1932, and will bear interest from that date at the rate of 3 per cent per annum, payable semiannually on April 15 and October 15 in each year. They will mature April 15, 1937, and will not be subject to call for redemption prior to maturity.

The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

Bearer notes with interest coupons attached will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, and $100,000. The notes will not be issued in registered form.

The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The notes will be accepted at par, during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the notes.

The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks.

Subscriptions for which payment is to be tendered in Treasury certificates of indebtedness of Series TO–1932, maturing October 15, 1932, will be given preferred allotment.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to allot less than the amount of notes applied for and to close the subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for notes allotted must be made on or before October 15, 1932, or on later allotment. Any qualified depositary will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Treasury certificates of indebtedness of Series TO–1932, maturing October 15, 1932, will be accepted at par in payment for any notes of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the notes of the series so paid for.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive notes.

A. A. BALLANTINE,
Acting Secretary of the Treasury.

TREASURY DEPARTMENT,
Office of the Secretary,
October 6, 1932.

(For letter to the investor, see Exhibit 1, Department Circular No. 451, p. 222.)

Exhibit 18

Subscriptions and allotments, Treasury notes, Series B–1937 (from press releases, October 7, 11, and 13, 1932, revised [1])

Acting Secretary Ballantine announced that the subscription books for the current offering of 4½-year 3 per cent Treasury notes of series B–1937, maturing April 15, 1937, closed at the close of business, Thursday, October 6, 1932.

Reports received from the Federal reserve banks showed that for this offering, which was for $450,000,000, or thereabouts, total subscriptions aggregated $8,368,343,700. Of these subscriptions, $318,141,000 represented exchange subscriptions in payment for which Treasury certificates of indebtedness maturing October 15 were tendered. Such exchange subscriptions were allotted in full. Allotments on cash subscriptions were made as follows: Subscriptions in amounts not exceeding $1,000 were allotted 10 per cent, but not less than $100 on any one subscription; subscriptions in amounts over $1,000 but not exceeding $50,000 were allotted 5 per cent but not less than $100 on any one subscription; subscriptions in amounts over $50,000 but not exceeding $500,000 were allotted 3 per cent but not less than $2,500 on any one subscription; and subscriptions in amounts over $500,000 were allotted 2 per cent but not less than $15,000 on any one subscription.

Subscriptions and allotments were divided among the several Federal reserve districts and the Treasury as follows:

Federal reserve district	Total cash subscriptions received	Total exchange subscriptions received	Total subscriptions received	Total subscriptions allotted
Boston	$459,682,100	$11,572,500	$471,254,600	$28,294,100
New York	4,176,672,800	232,151,500	4,408,824,300	325,373,000
Philadelphia	627,775,200	6,682,500	634,457,700	21,050,000
Cleveland	387,391,800	829,000	388,244,800	9,807,100
Richmond	162,089,800	2,221,500	164,311,300	7,201,800
Atlanta	302,087,000	694,000	302,781,000	9,888,600
Chicago	841,037,500	40,402,000	884,439,500	60,486,000
St. Louis	85,570,300	4,858,000	90,428,300	7,139,500
Minneapolis	43,599,100	1,016,500	44,615,600	2,219,200
Kansas City	107,773,500	3,156,500	110,930,000	5,806,700
Dallas	98,732,400	154,000	98,886,400	3,617,300
San Francisco	753,536,700	11,301,000	764,840,700	27,319,000
Treasury	1,230,500	99,000	1,329,500	126,600
Total	8,050,181,700	318,141,000	8,368,343,700	508,328,900

[1] Revised October 22, 1932.

Issues of Treasury bills

Exhibit 19

Inviting tenders for Treasury bills dated November 9, 1931, and maturing February 8, 1932 (press release, November 2, 1931)

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of $75,000,000, or thereabouts. They will be 91-day bills, and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to 2 o'clock p. m., eastern standard time, on Friday, November 6, 1931. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated November 9, 1931, and will mature on February 8, 1932, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of $1,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than $1,000 will be considered Each tender must be in multiples of $1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on November 6, 1931, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on November 9, 1931.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

Exhibit 20

Acceptance of tenders for Treasury bills dated November 9, 1931, and maturing February 8, 1932 (press release, November 7, 1931)

Secretary of the Treasury Mellon announced to-day that the tenders for $75,000,000, or thereabouts, of 91-day Treasury bills dated November 9, 1931, and maturing February 8, 1932, which were offered on November 2, were opened at the Federal reserve banks on November 6.

The total amount applied for was $301,633,000. The highest bid made was 99.550, equivalent to an interest rate of about 1.78 per cent on an annual basis. The lowest bid accepted was 99.458, equivalent to an interest rate of about 2.14 per cent on an annual basis. The total amount of bids accepted was $75,173,000. The average price of Treasury bills to be issued is 99.492. The average rate on a bank discount basis is about 2 per cent.

Exhibit 21

Press releases pertaining to Treasury bill issues subsequent to November 9, 1931, were similar in form to the foregoing and are therefore not here reproduced. The essential details regarding each issue are summarized in the following table:

Summary of information contained in press releases issued in connection with Treasury bills offered from November 9, 1931, to October 26, 1932

Date of issue	Date of maturity	Days to maturity	Total amount applied for (in thousands)	Bids accepted			
				Highest		Lowest	
				Price (per hundred)	Equivalent rate [1]	Price (per hundred)	Equivalent rate [1]
1931	1932				Per cent		Per cent
Nov. 9	Feb. 8	91	$301,633	$99.550	1.780	$99.458	2.144
Nov. 16	Feb. 15	91	255,289	99.550	1.780	99.469	2.101
Nov. 23	Feb. 24	93	173,213	[2] 99.500	[2] 1.935	99,381	2.396
Nov. 30	Mar. 2	93	235,185	[3] 99.430	[3] 2.206	99.296	2.725
Dec. 30	Mar. 30	91	190,072	99.550	1.780	99.077	3.651
1932							
Jan. 13	Apr. 13	91	169,337	99.368	2.500	99.245	2.987
Jan. 25	Apr. 27	93	191,581	99.500	1.935	99.332	2.586
Feb. 8	May 11	93	196,873	99.450	2.129	99.292	2.741
Feb. 15	May 18	93	211,872	[4] 99.400	[4] 2.323	99.267	2.837
Feb. 24	May 25	91	196,183	99.377	2.465	99.307	2.742
Mar. 2	June 1	91	292,984	99.450	2.176	99.368	2.500
Mar. 30	June 29	91	360,198	99.545	1.800	99.459	2.140
Apr. 13	July 13	91	399,371	99.736	1.044	99.700	1.187
Apr. 20	July 20	91	289,740	99.876	.491	99.826	.688
Apr. 27	July 27	91	241,451	99.853	.582	99.836	.649
May 11	Aug. 10	91	351,661	99.880	.475	99.817	.724
May 18	Aug. 17	91	395,069	99.900	.396	99.892	.427
May 25	Aug. 24	91	334,818	99.945	.218	99.927	.289
June 1	Aug. 31	91	296,503	99.975	.099	99.915	.336
June 29	Sept. 28	91	292,881	[5] 99.939	[5] .241	99.886	.451
July 13	Oct. 11	90	273,658	[6] 99.915	[6] .340	99.901	.396
July 20	Oct. 19	91	241,256	99.917	.328	99.887	.447
July 27	Oct. 26	91	191,613	99.930	.277	99.877	.487
Aug. 10	Nov. 9	91	333,168	99.899	.400	99.853	.582
Aug. 17	Nov. 16	91	333,747	99.881	.471	99.869	.518
Aug. 24	Nov. 23	91	347,816	99.897	.407	99.894	.419
Aug. 31	Nov. 30	91	463,281	99.922	.309	99.915	.336
Sept. 28	Dec. 28	91	412,510	99.958	.166	99.910	.237
	1933						
Oct. 11	Jan. 11	92	259,468	99.955	.176	99.950	.196
Oct. 19	Jan. 18	91	252,465	99.967	.131	99.960	.158
Oct. 26	Jan. 25	91	227,202	99.970	.119	99.916	.214

[1] Bank discount rate.

[2] Except for one bid for $15,000 at an average price of $99.620, equivalent to an interest rate of 1.471 per cent.

[3] Except for one bid for $50,000 at an average price of $99.540, equivalent to an interest rate of 1.781 per cent.

[4] Except for one bid for $10,000 at an average price of $99.600, equivalent to an interest rate of 1.548 per cent.

[5] Except for three bids aggregating $149,000 at prices averaging $99.965, equivalent to an interest rate of 0.138 per cent.

[6] Except for three bids aggregating $15,000 at prices averaging $99.955, equivalent to an interest rate of 0.180 per cent.

Summary of information contained in press releases issued in connection with Treasury bills offered from November 9, 1931, to October 26, 1932—Continued

Date of issue	Bids accepted			Dates of press releases	Date of closing
	Amount (in thousands)	Average			
		Price (per hundred)	Equivalent rate[1]		
1931			*Per cent*	1931	1931
Nov. 9	$75, 173	$99. 492	2. 009	Nov. 2 and 7	Nov. 6
Nov. 16	75, 410	99. 489	2. 024	Nov. 9 and 14	Nov. 13
Nov. 23	60, 082	99. 411	2. 281	Nov. 16 and 21	Nov. 20
Nov. 30	100, 490	99. 332	2. 585	Nov. 23 and 28	Nov. 27
Dec. 30	101, 332	99. 178	3. 253	Dec. 23 and 29	Dec. 28
1932				1932	1932
Jan. 13	50, 175	99. 272	2. 879	Jan. 7 and 12	Jan. 11
Jan. 25	50, 937	99. 358	2. 483	Jan. 18 and 22	Jan. 21
Feb. 8	76, 399	99. 314	2. 655	Feb. 1 and 5	Feb. 4
Feb. 15	75, 689	99. 287	2. 761	Feb. 8 and 12	Feb. 11
Feb. 24	62, 851	99. 315	2. 709	Feb. 16 and 20	Feb. 19
Mar. 2	101, 412	99. 369	2. 495	Feb. 25 and Mar. 1	Feb. 29
Mar. 30	102, 169	99. 474	2. 079	Mar. 24 and 29	Mar. 28
Apr. 13	76, 200	99. 735	1. 049	Apr. 7 and 12	Apr. 11
Apr. 20	75, 600	99. 843	. 621	Apr. 14 and 19	Apr. 18
Apr. 27	51, 550	99. 841	. 630	Apr. 21 and 26	Apr. 25
May 11	76, 744	99. 829	. 676	May 5 and 10	May 9
May 18	75, 000	99. 893	. 425	May 12 and 17	May 16
May 25	60, 050	99. 927	. 289	May 19 and 24	May 23
June 1	100, 022	99. 919	. 321	May 25 and 28	May 27
June 29	100, 466	99. 897	. 408	June 23 and 28	June 27
July 13	75, 278	99. 904	. 385	July 7 and 12	July 11
July 20	75, 923	99. 899	. 400	July 14 and 19	July 18
July 27	83, 317	99. 882	. 466	July 21 and 26	July 25
Aug. 10	75, 217	99. 866	. 529	Aug. 4 and 9	Aug. 8
Aug. 17	75, 016	99. 878	. 485	Aug. 11 and 16	Aug. 15
Aug. 24	62, 350	99. 894	. 419	Aug. 18 and 23	Aug. 22
Aug. 31	100, 500	99. 918	. 325	Aug. 25 and 30	Aug. 29
Sept. 28	100, 665	99. 941	. 233	Sept. 22 and 27	Sept. 26
Oct. 11	75, 954	99. 951	. 192	Oct. 4 and 8	Oct. 7
Oct. 19	75, 110	99. 965	. 140	Oct. 13 and 18	Oct. 17
Oct. 26	80, 295	99. 951	. 195	Oct. 20 and 25	Oct. 24

[1] Bank discount rate.

THE BUDGET

Exhibit 22

The National Budget and the Public Credit, an address by Under Secretary of the Treasury Mills, December 14, 1931, before the Economic Club of New York, New York City

You have invited me to discuss this evening the financial position of the United States Government and the many fiscal problems which confront our Government in these difficult times. I was very pleased indeed to accept, for I know of no subject in which all of our people, irrespective of whether they contribute directly to the Federal Government or not, are more vitally interested, or one which it is more important that they should understand. Adequate comprehension and support on the part of the Nation is essential to the Government in the performance of its fiscal functions.

We closed the last fiscal year with a deficit of $903,000,000. We are confronted this year with a prospective deficit of $2,123,000,000, and it is estimated that expenditures will exceed receipts by no less than $1,417,000,000 in the fiscal year 1933. If we contrast these figures with a surplus of $184,000,000 in 1930, one of $185,000,000, in 1929, and of $399,000,000, in 1928, we are shocked at the violence and suddenness of the change. For, while I am sorry to say that a falling off in income is an all too common experience these days, yet our Federal Government is so strong, and our national resources are so great, that somehow or other we feel that our Government should be superior to the ills to which individual citizens are subject. Indeed, there is so much truth in this conception, that, as we shall see, the Government has but to make a further call upon available resources to put its financial house in order.

To grasp not only what has happened in the immediate past, but what should be done in the immediate future, it is necessary to understand our revenue system, and to note the essential fact that it rests on a very narrow base. Take the fiscal year 1930 as an example: We find that in that year, out of total receipts from taxation of $3,626,000,000, no less than $2,411,000,000, or two-thirds was contributed by income taxpayers, corporate and individual, $587,000,000, or 16 per cent, from customs duties, and $628,000,000, or 17 per cent, from miscellaneous internal revenue taxes, of which the tax on tobacco contributed $450,000,000, and the stamp taxes chiefly on the issue and transfer of securities about $69,000,000.

These taxes are comparatively few in number, and all, with the exception of the tobacco taxes, which have steadily grown in years of prosperity and remained comparatively stable even under adverse conditions, are susceptible to very wide variations, in accordance with changing business conditions. This is obviously true in the case of customs receipts, which, with imports reduced both in quantity and value, fell from $587,000,000, in the fiscal year 1930, to $378,000,000, in 1931. The direct relationship between business prosperity and the net income of corporations, upon which the income tax is based, needs no elaboration, and the sharp drop from $1,118,000,000, collected in 1930, to the $550,000,000 which it is estimated we will collect in 1932 is but another indication of the extent of the depression. A falling off in activity in the security markets must be accompanied by a sharp reduction in receipts from stamp taxes.

But it is when we come to the income tax on individuals that the dangers incident to too narrow a tax base are most strikingly exemplified. The number of individual returns for the calendar year 1928 aggregated 4,071,000. Of this number, 382,000 taxpayers contributed $1,128,000,000 and the other 3,689,000 individuals who made returns contributed but $36,000,000. Clearly, under our system, large and moderately large incomes, bear practically the full burden of the individual income tax. Now, these incomes, as we shall see, are the very ones subject to the widest fluctuations, since they include business profits, and more particularly because in recent years the element of gain and loss resulting from the purchase and sale of capital assets has had on them a preponderating influence. In so far as tax receipts are concerned, these fluctuations are magnified by our progressive rates which necessarily result in taxes rising at a more rapid rate than incomes as the latter move forward into higher, and, on the other hand, falling with greater abruptness as they recede into lower brackets.

Taxes returned on individual incomes fell from $1,164,000,000 for the calendar year 1928 to $474,000,000, according to available information for 1930. The number of returns of those with incomes of from $5,000 to $10,000 fell from

561,000 to 506,000, while the tax paid fell from $21,000,000 to $17,000,000, or 22 per cent. Of those with incomes from $10,000 to $100,000, the number fell from 360,000 to 252,000, and the tax from $409,000,000 to $208,000,000, or 49 per cent; while of those with incomes of $100,000 and over, the number fell from 15,780 to 6,152, and the tax from $700,000,000 to $238,000,000, or 66 per cent.

While income from all sources declined, the one chiefly responsible for this almost perpendicular drop was gains from the sale of capital assets.

If we take the returns of individuals with net incomes of $5,000 and over, we find that the aggregate net income returned fell from $16,299,000,000, in 1928, to $10,119,000,000, in 1930, or a decrease of $6,180,000,000, and of this amount no less than $4,230,000,000, or about 68 per cent, is accounted for by the reduction in net profits in excess of losses, resulting from the sale of capital assets.

The question of taking into consideration, in the determination of taxable income, gains and losses from the purchase and sale of capital assets, has been the subject of much discussion. Many people believe that this feature of our income tax law should be eliminated, on the ground that it tends to promote, rather than to discourage, speculation in periods of expansion, and that it has a depressing effect in times of recession. I am inclined to think that this criticism is too sweeping, and that the supporting data are inadequate. Does any one really believe that events would have been very different if we had had no income tax? If so, how are we to account for similar experiences in the past? And if it be urged that the magnitude of this folly was greater than ever before, my answer is that we made bigger fools of ourselves this time because our resources and the opportunities afforded us were infinitely greater. Certain it is that over a 10-year period this particular provision of our income tax law has been extremely fruitful. Moreover, we must not forget that our conception of capital gain as income is an integral part of our income tax law, woven into its structure, and that it can not be eliminated without a complete rewriting of the law, and undoing the results of many years of trial and uncertainty, during which the interpretation of the law became clarified through administrative and court decision, and its administration reached a point where certainty began to take the place of arbitrariness and blind groping. Do we want to travel back over that long hard trail for so doubtful a benefit? For who can contend, as a matter of principle, that the handsome gain yielded without effort by a quick turn in the market is a less legitimate object of taxation than a hard-earned salary or the remuneration of doctors, lawyers, engineers, and other professional men, whose earning capacity is developed only through years of constant application and unremitting effort?

In passing, while we are on the subject of income tax statistics, there is a fallacy which I would like to correct. When the figures for the calendar year 1929 were published, a number of gentlemen who think that all is for the worst in the worst of worlds claimed that here at last was the final decisive proof of the concentration of wealth in the United States in a few hands. They eagerly seized on the fact that 504 individuals reported incomes of a million and over, and that no less than 967 individuals had reported incomes of between $500,000 and a million; but when the returns for 1930 came in, we found that the former group had shrunk to 149, and the latter to 311, as compared with 206 and 376, respectively, in 1916. On the other hand, the number of individuals returning incomes of from $5,000 to $10,000 had grown from 150,000 in 1916 to 505,000, in 1930. The truth is that income-tax returns in any given year are unreliable guides in estimating the distribution of national income or wealth.

To summarize, our Federal Government relies on a very limited number of taxes, subject, generally speaking, to extreme fluctuations. It places its chief reliance on an income tax which, because of the character of its structure and the narrowness of its base, is susceptible to sharp increases and precipitous drops. As a result, our budget lacks stability, and is particularly vulnerable to a depression as sweeping as the one which has overtaken us. In consequence, our total receipts from taxation have shrunk from $3,626,000,000 in the fiscal year 1930 to an estimated $2,094,000,000 in the current fiscal year. Of this loss of $1,530,000,000, no less than $1,271,000,000 is accounted for by a falling off in income-tax collections.

In the meanwhile expenditures are estimated at $4,482,000,000 for 1932 compared with an actual total of $3,994,000,000 for 1930, an increase of about $490,000,000. Of this increase approximately $350,000,000 is attributable to the estimated increase in expenditures for construction activities, including additional work on roads, public buildings, and a variety of emergency construction activities. It is estimated that the Veterans' Administration will require $231,000,000 more in 1932 than in 1930, reflecting an increase of $88,000,000 in funds required to meet loans to veterans on adjusted-service certificates and an increase of

$143,000,000 for military and naval compensations and other services for veterans. Expenditures for the postal deficiency will be $103,000,000 larger than in 1930. The more important decreases include $54,000,000 for interest paid on the public debt, largely as a result of lower interest rates; $145,000,000 for public retirements principally due to the proposed postponement of payments by foreign governments for 1932, and $68,000,000 for refunds of receipts. It should be observed that total expenditures for 1932, aggregating almost $4,500,000,000, include about $1,000,000,000 for interest on the public debt and sinking fund retirements and a similar amount to cover expenditures for veterans of all wars. Neither of these major outlays is subject to reduction at will, so that the opportunity for reducing expenditures is limited to the balance of some $2,500,000,000. Present estimates indicate a reduction in expenditures between 1932 and 1933 of about $370,000,000.

It is estimated that we will close the fiscal year 1932 with a deficit of $2,123,000,000. The outlook for 1933 is, however, a little more cheerful. Revenue from taxation rises from $2,094,000,000 to $2,168,000,000, and total receipts from $2,359,000,000 to $2,696,000,000, while, as I have pointed out, expenditures are cut by about $370,000,000, still leaving, however, an estimated deficit of $1,417,000,000. The combined deficits for the three years aggregate approximately $4,400,000,000, and after deducting debt retirements effected through the sinking fund and by virtue of other statutory requirements, indicate an increase in the public debt of approximately $3,250,000,000.

There is the situation. Before discussing, however, why something must be done about it, and what that something should be, let us glance briefly at our public-debt figures. These have a direct bearing on the national credit. The problem of inadequate revenue and excessive expenditures can not be considered solely from the standpoint of providing for our immediate needs. The effect which these two diverging factors, unless remedied, will have on the public credit is of infinitely greater concern. Its maintenance is of supreme importance to us all.

Our gross debt, which had fallen steadily from $25,485,000,000, on June 30, 1919, to $16,185,000,000, on June 30, 1930, increased to $17,310,000,000 on November 30, 1931. During the past 17 months, Government securities in the hands of the public were increased by $850,000,000 through the liquidation of Treasury notes held in the adjusted-service certificate fund in connection with the financing of additional loans to veterans, chiefly as a result of the legislation enacted at the last session of Congress. Of the total interest-bearing debt, aggregating $17,040,000,000, $14,310,000,000 consists of long-term bonds, some of which are callable in 1932, others in 1933; after the December financing, about $2,200,000,000 of open-market issues of certificates and notes having maturities of a year or less; and some $576,000,000 of 90-day issues of Treasury bills. These last may be rolled over, and offer, therefore, no particular problem. Thanks to three bond issues, made in March, June, and September, and the reduction effected in our short-term debt since January 1, 1931, the difficulties of financing the deficit in the current year have been lessened. The $2,200,000,000 of certificates and notes can readily be handled in quarterly tax-payment months, particularly as all of the quarter-days, beginning January 1, 1933, are open. But if we are called upon to finance, through borrowing, another huge deficit in 1933, and all manner of unwise and uneconomic expenditures in the meanwhile, leaving aside for the moment the general effect on the credit of the Government, our difficulties become very serious indeed. In November, 1933, $6,268,000,000 of fourth Liberty loan 4¼ per cent bonds become callable. They mature as early as 1938, and this immense issue must be retired, or refunded, over the comparatively short period of five years.

If, on the other hand, the increase in the public debt can be arrested during the fiscal year 1933, the Treasury's general debt retirement and refunding program, somewhat modified, of course, by the events of the last two years, is definitely manageable.

I do not mean to suggest that the addition of $3,000,000,000, or even $4,000,000,000 to our national debt could conceivably impair the national credit. That debt stood at $25,000,000,000 a decade ago, and the national credit was unimpaired, but I do say, with all the force at my command, that any temporizing with this situation, any failure to take the steps necessary to bring our budget into balance within a reasonable time, any misuse of the public credit, would furnish such evidence of lack of sound financial principles as might well result in shaken confidence and in apprehension lest these conditions prevail long enough to result in real damage. Our long-term bonds are selling to-day at a discount, even those

bearing as high an interest rate as 3¾ per cent. Allowing for tightened money conditions, and for all the unusual circumstances which surround us, there is no doubt but that some of the weakness manifested reflects the response of the investing public to the possibility that we may be confronted with a rapid increase in the public debt, and in the volume of Government securities outstanding. There is fear of further huge grants to veterans, there is fear of major drains on the Treasury through uneconomic expenditures, there is fear of growing and unremedied deficits. All of this fear can be swept away only by adherence to sound financial principles and the development of a program of restricted expenditures and of increased revenues, which, if they do call for temporary sacrifices on the part of our people, will, in the long run, bring them infinite benefit.

In this period of deep uncertainty, the unimpaired credit of the Federal Government is the most priceless possession of the people of the United States. We assume its existence as we assume the continuance of unlimited supplies of air and sunlight. It has been established through the pursuance of sound fiscal policy in the past and so must it now be preserved. The immediate cost in increased taxes is small in comparison with the immediate and lasting benefit to the Nation.

Let me at this point take the liberty of quoting briefly from the speech of a very great man, the late Senator Dwight Morrow, who, in describing how individuals take their own money with its present command over goods and services, and surrender it not only to their own Government, but to the governments of nations on the other side of the earth, and receive in exchange for it a promise, went on to say:

"The question may be asked: Nothing *more* than a promise? To which answer may be made: Nothing *less* than a promise.

"I remember reading some years ago a letter of Thomas Bailey Aldrich written to William Dean Howells. Aldrich is writing of a friend who has just died, and whose body is resting in 'a dismal London burying ground.' He says to Howells that it is not worth three pins to be a great novelist, or a great general or a great anything else. Then he winds up his letter with this whimsical expression: 'Yet with a sort of hopeful vivacity I have just bought two 5 percent railway bonds that expire in 1967. Who will be cutting off the coupons long before that? Not I.' There was Aldrich, despondent because of the transitoriness of life, taking his savings and putting them in railway bonds that matured long after his life would end. Every day investors are buying bonds, domestic and foreign, although they have every reason to wonder who will collect the coupons. Human lives stop. Promises go on. The civilized world today is run on the basis of a belief in promises. Whatever our doubts about the meaning of modern civilization, we may at least take some comfort in the trust which men show in each other's promises."

Now, this belief in promises, this credit structure of ours, depends to a very great extent upon the confident belief that the Government will meet its financial obligations promptly and punctiliously, on every occasion and in every emergency. Our currency rests predominately upon the credit of the United States. Impair that credit and every dollar you handle will be tainted with suspicion. The foundation of our commercial credit system, the Federal reserve banks, and all other banks which depend upon them, are inextricably tied into and dependent upon the credit of the United States Government. Impair that credit to-day, and the day after, thousands of development projects—they are still going on—will stop; thousands of business men dependent upon credit renewals will get refusals from their bankers; thousands of mortgages that would otherwise be renewed or extended, will be foreclosed. Merchants who would buy on credit will cancel orders; factories that would manufacture on part capacity at least will close down.

It is true that a distressingly large minority of the wage earners of this country are now out of work. But we must not forget that a majority still have enough work to make a living. We have lost much; but we have infinitely more to lose.

What we still have, what we hope for in the future, are dependent in a large degree upon the preservation, unimpaired, of the credit of the United States. It will cost something to preserve it. The cost is additional taxation. The wealthy, the captains of industry, the bankers, must contribute to meet this cost; but the small business man, the white-collar man, the farmer, and the wage earner, have an equally vital stake in the preservation of the Nation's credit. The new taxes will cut into the incomes of the rich, and they will affect by some small amount the contributions made to the Government by those in moderate circumstances. But the result—the preservation of the Nation's credit—is

worth this cost, and for that matter, an even much greater one, to all who are called upon to make some temporary sacrifice.

It is sometimes urged that, since in the course of 11 years prior to the fiscal year 1931 we had retired some $3,460,000,000 of debt from surplus receipts, we are justified in incurring deficits up to that amount. There is some force to the argument. We have created something in the nature of a reserve which we are warranted in drawing on, certainly to some extent. But there are definite limitations. In the first place, in the early years of the decade, a large part of the current surpluses were due to the sale or other disposal of capital assets, the returns from which could most properly be applied to debt reduction, and other receipts of a nonrecurring character. In the second place, when the sinking fund was created, it was assumed that loans to foreign governments would be repaid in full, and would be applicable to the retirement of a very large part of our public debt; whereas the amounts due us from abroad have since then been whittled down by the debt-funding agreements. And, finally, even if we assume that we are justified in borrowing up to the full amount of $3,460,000,000, that sum will be almost absorbed by last year's and this year's deficits.

As the Secretary of the Treasury pointed out in his Annual Report, there are certain basic principles in the conduct of public finances which can not be disregarded by any nation. First, the sinking fund, designed for gradual retirement of the public debt, must be maintained, and when of necessity the public debt is increasing, the regular sinking-fund appropriations must be accepted in the accounts of the Government as fixed charges against revenues. Second, over a period of years, revenues must be equal to expenditures. Deficiency for a time may be inevitable, but the principle of a balanced Budget must never be abandoned, and when emergency conditions upset the balance, every effort must be made to restore it at the earliest possible opportunity.

Bearing constantly in mind that additional taxes should not be so great as to retard the business recovery, upon which the restoration of the normal flow of revenue depends, the Treasury program submitted to the Congress last Wednesday has three definite objectives: First, a reduction in the prospective deficit this fiscal year; second, no further increase in the public debt in the fiscal year 1933; third, a balanced Budget in 1934. We do not feel justified in asking for more; we would have failed in our duty had we recommended less.

The attainment of our goals necessitates additional revenue in excess of $900,000,000 in the year 1933. In the development of a program, we considered many forms of taxation. We weighed, for instance, the merits of the general-sales or turnover tax, but rejected it, not only because it bears no relation to ability to pay, and is regressive in character, but because of the enormous administrative difficulties and the almost inevitable pyramiding of the tax in the course of successive sales.

We studied the limited manufacturers' or producers' sales tax, which is being administered with a fair degree of success in Canada. In Canada a tax is imposed at the rate of 4 per cent on the manufacturers' sale price, or the import value of all goods not exempt, which are produced or manufactured in Canada or imported into Canada. Retailers are exempt. It is distinctly not a turnover tax. Practically all raw materials of farms, mines, fisheries, etc., are exempt, as are most small manufacturers and producers, such as customs tailors, shoemakers, plumbers, opticians, et al. The extent of the exemptions is very great. They fill 10 closely printed pages and cover thousands of specific items and classes of items. Pyramiding is avoided by a mechanism of licenses and certificates. Every manufacturer and wholesaler is required to take out a license. If one licensed manufacturer buys from another licensed manufacturer or licensed wholesaler, he notes his certificate number on the order; this is noted on the sales invoice, and the sale is exempt. When the last licensed taxpayer sells to an unlicensed purchaser, the tax is collected. Administrative discretion is granted to an extent unheard of in this country, and which I doubt whether our Congress would ever be willing to grant. Not only has the Minister of Finance final power to fix the wholesale price or value to which the tax rate is applied in uncertain cases, not only are deductions and refunds discretionary, but from 1922 until 1931 the Governor in Council had power to exempt articles from the sales tax. The success of the tax appears to be due not only to good administration but to this very wide administrative discretion. The tax is unquestionably passed on, and adds, therefore, to the cost of living.

With some 200,000 manufacturing establishments in the United States, our much more extensive and complicated industrial mechanism, our tendency to set out administrative procedure with almost meticulous accuracy in our statutes, and our reluctance to grant administrative discretion, or the authority to adminis-

trative officers to make final decisions, it is more than doubtful whether the Canadian sales tax would meet with the success in our country that it has across the border. Certain it is that many months would elapse before the necessary administrative machinery could be set up, and a number of years before such a new form of taxation could be firmly established in this country. And we are in need of additional revenue now.

In any event, we concluded that, on the whole, it is wiser for us to resort to those forms of taxation with which we have had experience and are thoroughly familiar rather than to embark on new and untried ventures. If this conception is sound, we have but to take a step backward and to relinquish temporarily the benefits of the tax reductions effected in the period of expanding revenues. It isn't necessary to retrace many steps and to return either to the revenue act of 1918 or of 1921, but what we desire can be accomplished by returning in principle to the general plan of taxation existing under the revenue act of 1924, with such changes as are appropriate in the light of existing conditions. The advantages of such a program are manifest. From an administrative standpoint, we have not only had the necessary experience, but we are so organized as to take on this new burden without difficulty. From the standpoint of the taxpayer and of the Nation, there is no occasion for alarm, for we are simply reimposing upon ourselves, for the time being, taxes which we didn't find too burdensome and the existence of which proved no impediment to business expansion and growing prosperity.

It is unnecessary to describe the program in detail, for I doubt not all of you have read it with interest, and I trust without concern. Generally speaking, it provides for the retention and, in some instances, an increase in existing excise taxes, a restoration of the manufacturers' sales tax on automobiles, trucks, and accessories, of the stamp tax on conveyances of realty, and of the tax on telephone, telegraph, radio, and cable messages, and the imposition of new taxes on manufacturers' sales of radio and phonograph equipment, and on checks and drafts. The rate of tax on corporate income is increased but slightly from 12 to 12½ per cent. We have refrained from recommending the restoration of the capital-stock tax, which was in the 1924 law, not only because it was an unfair and unequal tax, involving most difficult administrative problems, but with a view to placing not too great a burden on business at the present time. A return to the 1924 act necessarily involves a sharp increase in the rates applicable to individual incomes and the taxing of many taxpayers, who since 1924, owing to very high exemptions, have been relieved from the obligation of contributing to the support of their Government, though enjoying a very genuine ability to contribute certainly the very moderate amounts demanded by the 1924 act.

When the 1924 act was before the House of Representatives, no one fought harder than I did to reduce the rates to the point later established by the 1926 act. I believed then, and I believe now, that under normal conditions a 20 per cent rate is sounder than a 40 per cent rate, not only from the standpoint of our general economy but, in the long run, from the standpoint of productivity. But these are not normal times. There is an emergency, and we are proposing emergency measures to meet it. Men who still have very large incomes can not object, under the circumstances, to contributing largely. Men with comparatively large incomes should be willing to do their share, and those in more moderate, but comfortable, circumstances will surely feel that they can spare something for the support of their Government. I am confident that, if only there be a proper understanding of the necessities of the case, the temporary sacrifices demanded will be met, if not joyfully, at least wholeheartedly, and with philosophy and good humor.

After all, even in these days, which appear so dark, we are still fortunate as contrasted with other nations. After a hard-boiled Treasury has done its worst, and when you gloomily view the approach of the Ides of March, I suggest that you place these figures on your desk as you make out your income-tax return: A married man with one dependent, and with an income of $5,000, will pay, under our Treasury's proposal, $31.50 in taxes; a man similarly situated in Great Britain pays, under Mr. Snowden's latest budget proposals, $650. A man with an income of $10,000 pays $153 in the United States and $1,800 in Great Britain. One with $100,000 pays $22,030 in the United States and $48,000 in Great Britain. We would grant an exemption of $1,000 for a single man, $2,500 for a married man, and $400 for each dependent. Great Britain's exemptions are as follows: For a single man, $485; for a married man, $730; for the first dependent child, $245; and for each other child, $195.

If our program is adopted, it is estimated that we shall obtain during the full fiscal year 1933 an additional $60,000,000 from corporations, $185,000,000 additional from individual income taxpayers, $11,000,000 additional from estates, and

$514,000,000 additional from miscellaneous internal-revenue taxes. In addition, we have recommended that postal rates be so adjusted that the Post Office Department's revenues will cover, by a reasonable margin, its expenditures, exclusive of such special services as the cost of free postal services performed for Government departments and agencies, the excess of the cost of air-mail services over revenues, and the cost of special rates paid to ocean mail carriers under American registry. There is no reason why the public should not pay the cost of the service it receives from the Post Office Department, or why the latter, as an essentially business institution, should not be self-supporting.

I have no illusions as to the feelings with which a program of drastic tax increases is received, and I can assure you that it is anything but a pleasant task to participate in the preparation and submission of such a program, but no man, whether he be a Treasury official or a taxpayer, can open-mindedly examine the existing situation and not reach the conclusion that the alternative for increased taxation is infinitely worse for the Nation. I find some consolation in the thought that the contribution to be made by people with moderate incomes is still fairly light, and that those whose incomes remain in the upper brackets in times like these are in such a preferred class as to occasion little concern for them, though if circumstances permitted I should much prefer to see them buy bonds rather than pay additional income taxes. When we come to the miscellaneous group, the rates are not so high as to interfere with the flow of goods or services, or to constitute a real burden on those who buy or enjoy them. Can we seriously complain if cigarettes and radios and admissions to places of amusement—yes, even semineecessities such as automobiles—are to cost a trifle more, or if we are to pay 2 cents for the privilege of using checks and an additional cent on transfer of securities? These are not intolerable burdens, particularly when we are asked to assume them to meet the necessities of a real emergency.

But, let me add that if the people of the United States make this sacrifice and furnish almost a billion dollars of additional funds to their Government, they have the right to insist, and I hope that they will, that not one penny is expended extravagantly, politically, or unwisely, but that just as enforced rigid economy prevails throughout the country, so will it be observed in Washington.

Let me close with a general observation or two. The problems at home and abroad which appear so great are not insoluble. They will yield readily enough to a resolute, courageous, and intelligent attack. The real difficulties in the present situation are those inherent in human nature, in the element of fear which seems to possess the souls of men in the face of an uncertain future and in fixed conceptions and attitudes. There is more to fear from frozen minds than frozen assets. We can not look to governments or to a few leaders. The necessary measures must be taken and the recuperative forces must be set in motion by the great masses of the people themselves.

But if the nations and the individuals who compose them, laying aside preconceived notions, prejudices, and above all, fear, will face the realities of the situation and will look to the future rather than to the past, then we can fairly hope to emerge from this deep valley at a comparatively early period. There must, of course, be guidance and leadership, but the real responsibility rests on each and every one of us, and our failure to meet our daily problems with intelligence and courage is not only a betrayal of others, but of our own cause.

Exhibit 23

The Revenue Bill, a radio address by Secretary of the Treasury Mills, March 12, 1932, for the Columbia Institute of Public Affairs

I have been asked to discuss this evening the revenue measure now pending in the House of Representatives, intended to balance the Budget of the next fiscal year in the sense that there will be no further increase in the public debt. I am glad to do so. It is essential that the American people should have a thorough understanding of the financial problems confronting their Government and the means proposed to solve them.

For over two months the members of the Ways and Means Committee have studied all phases of the situation. They have heard the views of the Treasury Department. They have held extensive hearings at which ample opportunity to be heard was afforded all concerned. They have worked diligently, painstakingly and unselfishly and without the semblance of partisanship, actuated

solely by the purpose to do the very best they knew how for the country. One and all, and more particularly the acting chairman, Mr. Crisp, are entitled to our appreciation for their patriotic efforts. Their views and recommendations are entitled to our confidence and support.

This does not mean that I agree with every part of the proposed revenue law. If anyone wants to be entirely satisfied with a tax bill, he must write it himself, and even then, unless supported by the valor of ignorance, he must, under existing conditions, have grave misgivings. The bill differs in many respects from the recommendations made by the Treasury Department. We are prepared, however, to accept the conclusions of the committee, and to support the measure which they recommend. It conforms to sound tax principles, the difficulties of administration are not insuperable, and, above all, it makes possible the attainment of the one vital objective—a balanced Budget.

What do we mean by a balanced Budget? Why is it so vital to the welfare of the country? By a balanced Budget we mean that the Government will live within its income; that current receipts will be adequate to cover current expenditures, and that borrowing will not be resorted to to pay the ordinary running expenses of the Government. The situation is not fundamentally different from that of the individual. If a man lives persistently beyond his means and resorts to the bank to provide the funds to meet the monthly bills of himself and of his family, we all know that he is headed for disaster. The same is true of nations—even the strongest. Their credit depends on the observance of sound financial principles and on the certainty that they will at all times and under all circumstances meet the promises to pay they have issued in the form of government obligations. Ultimately all government obligations must be met from taxes, and a country which is unwilling to tax itself in order to meet its current expenditures inevitably brings into question its willingness ultimately to tax itself to meet the mountain of debt piled up through lack of courage and through the profligate use of the public credit. I am not talking, of course, of lack of balance in the Budget of a single year, or of budgets unbalanced in moderate amounts. These may be unavoidable. But, when the United States Government closed the fiscal year 1931 with a deficit of over \$900,000,000; when it will close the fiscal year 1932 with a deficit of as much as two and a half billions of dollars, and when the prospective deficit of the fiscal year 1933 amounts to more than \$1,700,000,000, the time has come beyond all question to put our financial house in order. Unless we do, the soundness of our credit must inevitably be questioned, for why should lenders voluntarily advance their funds to a government that would fail to meet so serious a situation with courage and determination, and would be willing to follow for an indefinite period a policy of living beyond its means.

This is not an academic discussion. The problem is one of immediate and enormous practical importance. It is my very firm belief that the later phases of the long business depression from which we are suffering are due chiefly to a credit crisis, exemplified by liquidation which far exceeds what one would expect in the way of necessary readjustment following a period of wild expansion and speculation. The decline in the volume of bank credit has been the largest ever experienced in this country. It has been accompanied by very serious disorganization of our credit facilities. It is generally admitted that before we can emerge from the valley it is necessary to arrest this contraction and to stabilize and strengthen our general credit structure. We have made great progress along these lines through the creation of the Reconstruction Finance Corporation, which has been performing admirable service for the last four weeks; through the passage of the so-called Glass-Steagall banking act, and through the other remedial measures with which you are unquestionably familiar. But the keystone of the arch is a balanced budget and the unimpaired credit of the United States Government.

As I have had occasion to say before, our private credit structure is inextricably bound to the credit of the United States Government. Our currency rests predominantly upon the credit of the United States. Impair that credit and every dollar you handle will be tainted with suspicion. The foundation of our commercial credit system, the Federal reserve banks, and all other banks which depend upon them, is tied into and dependent upon the credit of the United States Government. Impair that credit to-day, and the day after thousands of development projects—they are still going on—will stop; thousands of business men dependent upon credit renewals will get refusals from their bankers; thousands of mortgages that would otherwise be renewed or extended will be foreclosed. Merchants who would buy on credit will cancel orders;

factories that would manufacture on part capacity at least will close down. Impair the credit of the United States Government and all that we have sought to accomplish in the course of the last few months is, to a large extent, nullified. The renewed courage and confidence that have replaced the fear and uncertainty, which prevailed almost universally, will once more grow weak and hesitant.

Our economic troubles and all of the hardships which they entail are not to be swept away by the magic formula, or outside help. We have got to do the job ourselves. The way to begin is to make those first common-sense steps which we all recognize to be essential, no matter what initial hardships they may entail. You can not climb a hill without effort. You can not throw off the burden of depression without feeling some weight. The country's representatives in Congress are facing a most exacting duty. Let the united voice of a determined and courageous people assure them full cooperation and support in the carrying out of this essential task. As other great nations have tightened their belts and tackled even more difficult financial and economic problems than we are called upon to face, so must the patriotism and resourcefulness of the American people be equal to this emergency.

The reason for the critical fiscal situation is simple enough. There has been a colossal falling off in the revenue of the Government, due to a general curtailment of the national income and accentuated by the character of our tax system. We place our chief reliance on income taxes applied in so far as individuals are concerned at progressive rates and with very liberal exemptions. Practically all of this tax is paid by some 350,000 people. Their income has, to a very large extent, melted away from a variety of causes, such as decreased profits, reduced dividends, and large losses. Incidentally, the drying up of the larger incomes necessarily increases the difficulties involved in finding the additional revenue required.

The total receipts of the Government in 1930 aggregated $4,178,000,000. It is estimated that receipts will amount to $2,242,000,000 this year, and to $2,375,000,000 next year. Or, in other words, our total revenues have just about been cut in half. Current collections of individual income tax have dropped from $1,061,000,000 in 1930 to but an estimated $275,000,000 in 1933, while the corporation income tax has dropped from $1,118,000,000 in 1930 to an estimated $382,000,000 in 1933. Customs receipts show a reduction of nearly $160,000,000, while miscellaneous internal revenue receipts have been more stable, having fallen off from $628,000,000 in 1930 to an estimated $550,000,000 in 1933.

The problem created by this drastic curtailment of revenue must be met in two ways: First, by a program of rigid economy, and, second, by drawing further on available resources. When it is realized that we are spending on various forms of relief to our veterans and their families a billion dollars this year, and that the interest on the public debt and the sinking fund account for over a billion dollars, so that these two items alone approximately exhaust our total available receipts, it is evident that the Budget can not be balanced through economies alone. The figures submitted in the annual Budget message contemplate a reduction in expenditures for 1933 of $370,000,000. The Ways and Means Committee recommends a further reduction of $150,000,000, making a total savings of approximately half a billion dollars. If realized, this constitutes a very substantial achievement. Such a figure, however, is impossible of attainment, unless the Congress abstains from all legislation that will increase expenditures, and unless in the carrying out of this essential program of retrenchment, the representatives of the people have the full support of the people themselves and are protected from the insistent pressure exerted by organized groups furthering pet projects.

But a saving of half a billion dollars still leaves us very far from our goal. It is still necessary to provide approximately $1,100,000,000 in additional revenue. The Treasury Department recommended a broadening of the income tax base, an increase in the normal tax, the doubling of the surtax rates applicable to the higher brackets, an increase in the estate tax to a maximum of 25 per cent, and a series of excise taxes applied to selected articles, the competitive position of which would not be affected by the application of the tax. The Ways and Means Committee, in the main, follows the Treasury recommendations regarding income taxes, making the new rates applicable, however, to 1932, rather than 1931 income. They recommend an increase in estate-tax rates to a maximum of 40 per cent, which, in my judgment, is too high, and which in a number of cases may even prove confiscatory, unless estates are granted a longer period in which to pay the tax than is now permitted. For the protection of the estate and income taxes from evasion they have provided a

gift tax, with rates running up to 30 per cent. In order to stop the practice which has evidently grown up of wiping out other income by means of losses on security transactions, which in actual practice are frequently nothing more than paper losses, the Ways and Means Committee recommends limiting the losses which may be taken on the sale of securities to deductions from gains realized by the sale of securities, thus preventing the wiping out of income derived from such items as salaries, business profits, dividends, and interest. This may work an injustice in some cases, but it seems to be necessary in order to put a stop to a growing abuse. This, and other administrative changes should correct abuses and prevent evasion. These changes, it is estimated, will increase revenue by $100,000,000.

In lieu of a series of special excise taxes, the Ways and Means Committee recommends the imposition of a general manufacturers' sales tax, modeled on the Canadian law, imposed at a rate of 2¼ per cent, and with liberal exemptions covering agricultural products, fertilizer, seeds and feeds for livestock and poultry, fresh, dried and salted meat, fish, poultry, butter, cheese, milk, eggs, bread, flour, sugar, salt, tea and coffee, or, in other words, essential food products.

The tax is imposed on imported as well as domestic articles, though exported articles are exempt. It is to be paid by the manufacturer on his wholesale selling price. Pyramiding is avoided through a system of licenses by means of which the tax can only apply on the sale of the finished product by the final manufacturer. I may add that long experience in Canada has demonstrated that such a system does prevent pyramiding. The tax has been successfully imposed in Canada and Australia, at a rate in Canada of 4 per cent, and in Australia of 6 per cent. Administration presents a very real difficulty, but the administrative provisions as drafted are such that, with the discretion granted the Bureau of Internal Revenue, most of the doubts which the Treasury at one time entertained have been removed. If Canada and Australia can successfully administer such a tax; if European countries can administer with more or less success still more complicated sales taxes, there is no reason why we can not undertake the task, particularly as the committee seems to have profited by the experience of other countries and to have avoided many of the mistakes made by them.

The time at my disposal necessarily limits me to a very sketchy outline. Perhaps the quickest way to present the picture to you is to give you the amounts that it is estimated will be raised during the fiscal year 1933 by the different taxes, old and new, which will be imposed should the committee's program be adopted.

Customs duties will yield $430,000,000; income taxes, $1,100,000,000; estate and gift taxes, $80,000,000; manufacturers' and excise taxes, $595,000,000; miscellaneous internal-revenue taxes, $738,000,000; or a total of tax revenue of $2,943,000,000. It will be observed that of this amount, direct taxes contribute approximately $1,180,000,000 and indirect taxes $1,760,000,000. Generally speaking, direct taxes can not be passed on; indirect taxes may be. I must admit that I should feel happier if the percentage of direct tax were higher than 40 per cent of the total tax revenue. But we are confronted not with a theory, but with hard, inescapable facts. The yield from direct taxes is not greater, not because the committee has been lenient in fixing the rates, quite the contrary, since they propose to tax higher incomes at 46 per cent and the larger estates at 40 per cent, but because the base to which income tax rates apply has temporarily been so narrowed by the depression that adequate revenue can not be derived from these sources, no matter what rates are applied. For example, it is estimated that at the present rates the current individual income tax will yield $275,000,000 in the fiscal year 1933. Even with the rates in the higher brackets doubled, only approximately $110,000,000 more is derived. To the extent that incomes are still available, this bill reaches them at high progressive rates, but if the Budget is to be balanced we have to look elsewhere for additional revenue.

I happen to be one who in the past has not favored a sales tax. I prefer a tax system consisting of a progressive tax on individual incomes with a broad base, a corporation income tax, an estate tax, customs duties, and a selective group of excise taxes. But in a national emergency of this character who can refuse to accept a bill which, while placing the fullest possible burden upon those best able to pay, demands some element of sacrifice from all? Viewed as a whole, the bill reported by the Ways and Means Committee faithfully observes the doctrine of ability to pay. It can fairly be challenged only by those who contend that, irrespective of their ability to make some small contribution, certain groups of our citizens should not be asked to make any contribution whatever to the support of the National Government even in times of emergency. Are not some of us really being frightened by a word? A sales tax sounds formidable

as involving possibly a burden to the consumer. But, when all is said and done, a contribution of $600,000,000 imposed on all of 120,000,000 people, can not under any conceivable circumstances mean any great individual burden to any one of them. The base to which this 2¼ per cent rate is to be applied—and that is a low rate, and a low rate will cure most of the defects of even a very bad tax—is so immense, aggregating as it does more than $26,000,000,000, that I do not believe it will have any discernible effect or that anyone will really feel it.

May I repeat: In a great national emergency the Ways and Means Committee has drafted a revenue measure which makes possible the attainment of the main objective—a balanced Budget which is based definitely on the principle that those best able to should contribute in accordance with their ability to do so, and which calls upon all American citizens to make some contribution to the support of the national credit. That there would be some disagreement as to some parts of the bill was to be expected. But as to the necessity for so comprehensive a measure, and as to the broad principles upon which it is based, there can be no disagreement.

There is no more important issue before the country. The foundation upon which the structure of restored prosperity must rest is the unimpaired credit of the National Government. The cost is increased taxation. But the word "cost" in a sense is not the proper one. No better investment can be made to-day by any American than a contribution to the strengthening of this foundation. Any weakening of that must inevitably threaten the economic welfare and security which we have rightly considered as an essential feature of the American heritage. Our difficulties are great. The path is not easy, but I am confident that American courage and resourcefulness will be equal to the task and that our hard common sense will lead us along the right road, even if it is not the easiest one.

Exhibit 24

Statement by Secretary of the Treasury Mills, April 6, 1932, before the Senate Finance Committee with reference to H. R. 10236, the revenue bill of 1932

The revenue for the fiscal year 1932–33 under existing laws, it is estimated, will amount to $2,375,000,000. Expenditures, likewise under existing laws, are estimated at $4,113,000,000. Thus the prospective deficit amounts to $1,738,000,000. If we exclude sinking-fund requirements, the amount needed to balance the Budget in the sense that current expenditures will be covered by adequate receipts and that there will be no increase in the public debt, is $1,241,000,000. This must be obtained through decreased expenditures and increased taxes.

The Treasury's position is that the Budget must be balanced in the sense above described. There is no need of my presenting to this committee the compelling and unanswerable arguments in favor of a balanced Budget. It is essential to preserve unimpaired the credit of the United States Government. Bring that credit into question and our present difficulties, great as they are, become infinitely greater. New dangers and evils will appear and recovery will be indefinitely postponed. The House has declared its determination to balance the Budget. I am confident the Treasury Department will have the support and cooperation of the Senate in maintaining the finances of our Government on a sound basis.

The House proposes to balance the Budget by raising, according to our estimates, $1,030,000,000 in additional revenue and by reducing expenditures by $200,000,000, in addition to those reductions already provided for in the annual Budget submitted to the Congress in December. The Treasury Department urges the necessity of reducing expenditures. When asked to assume an enormously heavy tax burden the people are entitled to have the cost of Government reduced to a minimum and every expenditure not essential to the proper functioning of Government eliminated. I need not point out to this committee that to accomplish any such reduction as $200,000,000 in expenditures will require amendments to existing law, relieving the departments and independent establishments of obligations now existing. This is one of the essential tasks which confront the executive and legislative branches of the Government. It is a fundamental and indispensable element in our program. The more you examine the difficulties of raising adequate revenue, the more you will appreciate the compelling necessity of addressing yourselves as well to the task of reducing the cost of Government.

The causes which have led up to our present critical situation are well known to you. Our expenses in the fiscal year 1933, including sinking-fund requirements, are estimated at $4,113,000,000, as compared with $3,994,000,000 in 1930; whereas, under existing law our revenues in the next fiscal year are estimated as $2,375,000,000, as compared with $4,178,000,000 in 1930. It is apparent that our budgetary problem arises from a collapse in our revenue collections due to the business depression acting directly on a tax system particularly sensitive to business fluctuations.

It is no easy task to raise a billion dollars in additional taxes, or an amount which exceeds half the revenue provided for under existing statutes. If we except the estate tax, broadly speaking, there are only three ways in which money can be raised by the Government through taxation: First, by a tax on income; secondly, by a tax on outgo; or, third, by a combination of the two. The income tax is in many respects an ideal tax. Advantages of this tax are as follows: It is direct and unconcealed so that each man knows what government is costing him. It can be made to yield a very large revenue even in slack times if applied on a broad base. It reaches only those who have ability to pay and through a progressive rate compels those best able to contribute to pay relatively most.

Disadvantages are: As a practical matter it is very difficult to impose on all citizens having tax-paying ability. Being direct it is felt, and being felt it is unpopular. Consequently, the tendency is to impose it on fewer and fewer taxpayers. This enormously limits its usefulness as a money raiser and weakens its fundamental fairness. It involves trouble to the taxpayer and administrative difficulties to the Government. It is neither easy, unnoticed, nor painless. Therefore, in practice we limit its application and even in ordinary times look elsewhere for additional revenue.

Under the income-tax system developed in this country high exemptions relieve people of small and moderate means from contributing to the support of the Federal Government in the form of income taxes. Because of the great volume of tax-exempt securities, which, as long as 10 years ago, the Treasury urged Congress to do away with through a constitutional amendment, the application of the income tax to the large income derived from inherited or accumulated wealth is necessarily limited. The result is that our income tax of necessity rests essentially on the active American business man and on the successful professional classes.

In times of active business when their capital is fruitfully employed and profits are large the Government collects from them considerable revenue. When industry and commerce go flat, capital ceases to work, and profits disappear, their income likewise vanishes and so do our taxes. That is why the income tax as applied to individuals has failed us in this emergency. The large profits and the big incomes have melted away. Taxes on incomes of $100,000 and over fell off by 66 per cent from 1928 to 1930, and have fallen off to a great extent since then. Men talk of doubling or tripling the rates on the very large incomes. Those that remain would probably seek isles of safety. But that isn't the point. Raising the rates on the larger incomes does not solve our problem. They are no longer there. There is no nourishment in the hole in a doughnut.

What I wish to bring home to you very definitely is that if we turn to the income tax as a means of furnishing in large measure the additional revenue required, we can not think of the problem in terms of simply raising the rates on those who already pay income taxes. To raise greatly increased revenue through income taxation we must be prepared to lower the exemptions to as low a point probably as England does, and to impose a substantial normal tax on all taxpayers, even in the lower brackets. While recommending some broadening of the base, the Treasury Department has not advocated such a course. In spite of its theoretical advantages there are very cogent arguments against it. For a long period of years we have relied on a limited rather than a general income tax. We have become accustomed to high exemptions and very low rates on the smaller taxable incomes. That is our fixed conception of an income tax, and it is very difficult as a practical matter to change fixed conceptions of this character. Moreover, it must not be forgotten that the real burden of taxation in this country is due for the most part to local and State taxes, and they are borne, generally speaking, by people of small and moderate means.

There is a very real justification, therefore, for hesitation when it comes to the adoption of a Federal income tax which would really reach the lower incomes. But, having reached that conclusion, the next conclusion becomes inevitable, and that is that we must look to other forms of taxation in order to fill the greater

portion of the gap in our revenues. To impose the full weight of the additional taxes on the present income tax-paying class would make their burden almost unbearable and would so penalize the capital actually employed in business as to seriously affect the general economy of the Nation.

In its study of the problem the Treasury early realized that it was necessary to look elsewhere than to the income tax for the necessary revenue. We recommended, to be sure, a broadening of the income tax base by a reduction of the exemptions and an increase in the surtax rates to the level of the 1924 act, which meant a doubling of the rates in the upper brackets, as a means not only of obtaining such revenue as these measures would yield, moderate though the amounts are, but because we recognized that if ever there were a time when the doctrine of ability to pay should apply, it is now. In searching for additional sources of revenue, we canvassed the entire field.

We considered a general sales or turnover tax, and rejected it because of administrative difficulties and because we considered it unsound in principle.

We considered the manufacturers' sales tax as exemplified by the Canadian law. And I want to make a very sharp distinction between a manufacturers' sales tax and a general sales, or turnover tax. They are something totally different, from the administrative standpoint, from the standpoint of pyramiding, and from the standpoint in many cases of incidence. In the recent debates which took place in the House, a general sales tax was frequently confused with the manufacturers' sales tax reported by the Ways and Means Committee, and on more than one occasion the Treasury's opposition to a general sales tax was quoted in opposition to the Canadian manufacturers' tax system. This was unwarranted.

We gave very serious consideration indeed to the Canadian manufacturers' sales tax. Doctor Adams and Mr. Alvord made a special trip to Canada at our request to report as to the workings of this tax. We did not recommend it because we concluded that there exist in this country administrative difficulties that might be hard to overcome, and because, on the whole, we felt it was safer to travel along known roads rather than to venture into untried paths.

We decided to recommend instead a series of selective excise taxes, applied to subjects which, generally speaking, had a broad base; which would yield in each case a very considerable revenue; involve no administrative difficulties; were not open to evasion; and would not affect the competitive position of the subjects taxed. The articles or services selected were, therefore, picked for very definite reasons. They may be summarized as follows: Ease in administration; large revenue yield; lack of effect on the competitive position of the industry; and the fact that the purchase of the article or service would, generally speaking, indicate tax-paying ability.

The Treasury program, which I am submitting herewith in detailed form in Schedule A, comprised, generally speaking, a progressive income tax at increased rates; a progressive estate tax at increased rates; a series of selective excise taxes, following in the main the lines of the 1921 and 1924 acts; and increased rates on postage adequate to put the Post Office Department on a self-sustaining basis.

The Ways and Means Committee reported a bill in which the income tax rates were increased substantially along the lines of the Treasury recommendations; the estate-tax rates were sharply increased over the recommendations of the Treasury; a gift tax was included; generally speaking, in lieu of the series of excise taxes recommended by the Treasury, while some were retained, a manufacturers' sales tax, based on the Canadian model, though more comprehensive in character and at a lower rate, was substituted. An increase in postal rates was not recommended.

The details of the Ways and Means Committee bill and the revenue yield under each head appear in Schedule B, hereto attached.

The Treasury stated that while the recommendations of the committee did not conform to those originally made, nevertheless the bill was acceptable.

The bill now before you lowers the income tax exemptions from $3,500 to $2,500 for married couples, and from $1,500 to $1,000 for individuals; it increases the normal income tax rates to 2, 4, and 7 per cent; does away with the exemption of dividends from the normal tax; and sharply increases surtaxes, particularly those applicable to the upper brackets; it provides for much higher estate-tax rates than have ever existed in this country, even in war time, and supplements them with a gift tax at correspondingly higher rates; it raises the corporation income tax rate from 12 to 13½ per cent, and for corporations filing consolidated returns to 15 per cent; it provides for a very great number of manufacturers' excise taxes, which, generally speaking, seem to be directed at

what might be described as luxuries, though I am a little at a loss to know why soap and tooth-paste should be included in this category; it imposes two new tariff duties; and provides increased postal charges calculated to yield approximately $165,000,000.

The details are presented in Schedule C, hereto attached.

The great merit of this bill is that it raises $1,030,000,000 of new revenue, and that, from the standpoint of the Treasury, is a most vital consideration. It is, however, susceptible to improvement in a number of important respects. I should like to mention the more important features which we think subject to criticism and submit as a part of this report a more detailed analysis of the principal sections of the bill.

I believe that the corporation income-tax rate is too high; that there is no justification for compelling corporations to pay for the privilege of filing income-tax returns in accordance with their usual method of doing business and keeping their books; that the concealed double taxation involved in discontinuing the exemption of dividends from normal tax is unsound, resulting as it does in discrimination against the corporate form of doing business, with particular hardship to the smaller corporation as compared with a partnership; that completely doing away with the net loss provision is hard to justify in times like these; that the stock transfer tax is excessive under existing conditions; and that the estate-tax rates are too high.

It must not be forgotten that the bill already provides for a sharp increase in normal and surtax rates; that losses on the sale of stocks and bonds are to be limited to any gains which happen to be derived from the sale of capital assets in the same year; that the Treasury Department and the Ways and Means Committee were ready to limit the net loss carry-over provision to one year, and that very heavy taxes indeed were proposed in the Ways and Means Committee bill on the issuance and transfer of securities.

The cumulative effect of all these provisions is very great. They tend to converge the full weight of each of them upon capital actively employed in business, and to discourage the normal flow of capital into industry and commerce at a time when business men are hesitant and industry stagnant. Their combined restrictive effect magnified by the deadening influence of the depression will in my judgment tend to retard business recovery.

What we want to accomplish above all else at the present time is to break down the vicious circle of deflation of credit, industrial stagnation, falling prices, and loss of purchasing power. To put men to work capital must go to work. Credit must be sought and freely offered. But capital must see some chance of profit to compensate for the risk. Business men will not borrow and banks will not lend unless the enterprise offers some fair prospect of return.

Yet the particular provisions to which I refer, and which were written into the bill at the very last minute, certainly without any great amount of consideration, have a definitely inhibiting effect. On the one hand, at a period when losses are only too real and too common they would deny to business the right it now enjoys to carry over the losses from this, a very bad year, to next year, which it is hoped will be a better one; and on the other hand, the tax on any possible profits is very greatly increased. To illustrate: Take the case of a corporation that sustains a loss of $200,000 this year and makes a profit of say $100,000 next year. Its operations over a 24-month period show a loss of $100,000. Yet under this bill it will be taxed at higher rates on the $100,000 which is earned, and at still higher rates on what it distributes, while no recognition whatsoever is to be given to the $200,000 loss.

The corporation income tax is to be increased in some cases to 13½ per cent, and in others to 15 per cent, and on top of this distributed profits are to bear an additional tax of 7 per cent, making in the one case a tax of 20½ per cent, and in the other 22 per cent, as compared with 12 per cent to-day. This is apart from the fact that the stockholder in any event is to pay increased surtaxes.

For the purpose of illustration, consider the case of the railroads. Their bonds are largely held by the great insurance companies, savings banks, and other fiduciary institutions, or, in other words, the savings of the American people are invested in them to a very great extent. These bonds are much depreciated in value. A diminished earning power is of course largely responsible, though fixed charges are for the most part being earned. But the serious part of the situation is that the equities back of these bonds are gradually being eaten away. With the heavy taxes proposed on future possible railroad earnings and on railroad dividends, coupled with the inhibition on carrying over losses from one year to another, the restoration of equity values essential to the restoration of the high

standing of the underlying securities and of the ability of the railroads to obtain necessary capital, becomes more difficult.

In this connection it should not be forgotten that railroads ordinarily spend annually anywhere from $600,000,000 to $800,000,000 for capital improvements, giving employment directly to thousands of men and indirectly to many thousands of others through the orders they place. These funds must be obtained from investors through the security markets.

I do not want the committee to understand that my criticism is directed to the bill as a whole. There are, however, certain important features with which the Treasury does not agree, and which I trust your committee will either eliminate or modify.

I wish now to turn to the analysis of some of the more important provisions of the bill, a discussion of which I hope may prove helpful to this committee.

Corporation income tax.—The bill increases the rate of corporation income tax from 12 to 13½ per cent. As I have said, I think that this increase may be too great. In dealing with the rate of the corporation income tax, it is to be borne in mind that the income which we refer to as the income of the corporation is in reality the income of a group of individual stockholders. The tax imposed upon the corporation may fall unfairly upon the individual stockholders. It cannot be apportioned or levied with reference to the individual status of the different stockholders. When the corporation rate is increased, the increase affects equally stockholders of small means and stockholders of large means, and does not rest fairly on these different classes of stockholders. It is also to be borne in mind that when it comes to a relatively high rate for incomes of corporations, the relation of the income of the corporation to the capital involved in the enterprise is a very important factor. An increase in the corporation rate may be entirely bearable by a corporation which is fortunate enough to be earning a high rate of return on its capital. In the case of a corporation, however, which is earning a low rate of return upon its capital, the increase in the flat rate of the corporation income tax may bear with great hardship. The increase in the rate of the flat corporation income tax should be kept within bounds. I felt some doubt as to the soundness of recommending, as we did, that the corporation income tax rate be increased from 12 to 13 per cent.

Consolidated returns of corporations.—Certain income-tax provisions relate to the treatment under the tax law of business enterprises conducted through the medium of corporations. I refer first to the wholly novel treatment in this bill of consolidated returns of corporations. The bill provides that consolidated returns may be made by corporations having subsidiaries, but that for the right to make such return the corporations shall pay a price in the form of 1½ per cent more of their net incomes than would be required as tax in the case of a corporation filing a separate return. I can conceive of no sound argument for putting a price upon the right to file a particular kind of income-tax return.

The provision for consolidated returns should be retained as part of the law, like other parts of the law which recognize sound business practices and are designed to permit following of such practices in the computation of taxable income. When the revenue act of 1928 was enacted, it was determined to confine the use of consolidated returns to cases in which affiliation rests upon 95 per cent ownership of the voting stock by another corporation. It has been the practice of most corporations operating with subsidiary corporations to file consolidated returns of income and of operations of the group, and under this provision the income and operation of the group are reported for tax purposes in the same manner in which they are reported and dealt with in the corporation's reports for stockholders, banks, and other purposes. Dealing with income returns of corporations in this way, with the elimination of the effect of purely intercompany transactions, causes the tax to rest upon the true net income of the group as a whole. This provision eliminates the necessity of going into questions of intercompany accounting, and eliminates artificial effects upon income which might be harmful to the revenue resulting from considering the operations of single subsidiaries, without regard to what may be offsetting or modifying operations of other subsidiaries.

The provision in the bill following the carefully considered provisions of the present revenue act, treats affiliated corporations on a basis which accords with business practice, which appears to be sound and practicable in the light of many years of experience of the Treasury with such returns, and any departure from the use of that basis in the law would be a backward step. The novel idea of putting a price upon the use of sound accounting methods by affiliated corporations, should be eliminated from the bill.

The statement of this committee on the subject of consolidated returns in reporting the revenue bill of 1928, was in part as follows: "Your committee has considered the matter very carefully and is convinced that the elimination of the consolidated returns provision will not produce any increase in revenue, will not impose any greater taxes on corporations and will in all probability permit of tax avoidance to such an extent as to decrease revenues."

Changed treatment of dividends.—A new feature of great importance embodied in this bill is the giving up of the exemption of dividends on corporate stock from normal tax. Under all of the revenue acts since 1913, dividends received by individuals have been exempt from normal tax. The reason for this treatment of dividends was, of course, the idea that the actual receipt by the individual stockholder of a portion of the income of the corporation, which had already been subjected to the basic income tax, should not create a new liability to the same basic normal tax. You will recall that under the first income tax, the rate of normal tax upon individuals was 1 per cent, and the rate of tax upon the net income of corporations was also 1 per cent. It was believed that when the income of the corporation had been subjected to the 1 per cent tax, it should not again be subjected to the same tax when received by the individual stockholder. It was concluded that unless dividends received by individual stockholders were made exempt from normal tax, there would be a duplication of tax in the case of income realized by individuals through the medium of corporations.

This treatment of dividends in the manner to prevent what was regarded as a duplication of normal tax and a discrimination against the use of the corporate form, was continued, as I have said, under all the succeeding revenue acts. The exemption of corporate dividends of normal tax may be said to be one of the basic ideas or principles which has hitherto been followed in the structure of our income tax. There can be no doubt that the financing of business enterprises has been based to some extent upon the expectation of the continuance of this treatment of corporations' dividends under the law. Exemption of dividends from normal tax has played an important part in the securing of equity money for business enterprises. It has been a consideration of particular importance in connection with the financing through the sale of preferred stock. The exemption of dividends from normal tax gives the preferred stock some compensating attraction as compared with the bond, which, while ranking ahead of the preferred stock, does not have this exemption.

It will, of course, be borne in mind that the interest paid on the bond constitutes a deduction by the corporation in computing its net income and hence has not been subjected to the corporation income tax rate, as are the earnings from which preferred and other dividends are paid.

The changed treatment of dividends found in the House bill would rest with particular hardship on small corporations. It is obvious that in the case of enterprises controlled by a few individuals, carried on in a corporate form, the change would mean that the income from the business having been subjected to the corporation income tax at an increased rate, would, when distributed as dividends, be subjected to the normal tax; while, if the business were carried on under the partnership form the income would be subject to the normal tax only. Exemption of dividends from normal tax does not fully equalize discrimination which has been involved ever since the corporation income tax rate was made to exceed the normal tax rate. Taking away that exemption, however, materially increases discrimination against the corporate form. Some effort was made in the bill to relieve against this effect in the case of small corporations by providing that dividends should be exempt where received from a corporation the gross income of which in the previous year did not exceed $25,000. This provision is obviously not inclusive and would be difficult of satisfactory application.

Notwithstanding the large amount of revenue which this change would yield, I think that it is a sounder course to adhere to the treatment of dividends which has been followed in all the revenue acts up to the present time, and not to embark now upon a novel treatment of that subject. Business recovery depends in a very material degree upon the securing of capital for new enterprises and more capital for existing enterprises. The most needed funds are those which should be brought in through investments in stock. The securing of such funds will be rendered more difficult by the proposed change and the discrimination against the using of corporations for the conduct of business would be sharply increased.

Net losses.—Another change embodied in the bill, which is likely to have adverse effect upon the conduct of business enterprises, is the change which denies to any business the right to carry over as a deduction for a succeeding year a net loss which may be the result of the operations in a particular year. Under our

law the computation of taxable income is, in general, required to be made upon the basis of annual accounting periods. For many years, however, it has been recognized that in the case of business enterprises continuously carried on, the requirement that each year should be treated as a unit without reference to what happened in other years, works a hardship. If no recognition whatever were to be permitted of losses for particular years in businesses continually carried on, the result, of course, is that business enterprises will actually be required to pay tax on more income than they have had, because the income over a series of years represents the combined effect of gains and losses for these years.

In reporting the bill, the Ways and Means Committee recommended that the net loss deduction be confined to a deduction for the year immediately succeeding the year of the loss, cutting off the right to a deduction for a second succeeding year. The bill, as it passed the House, however, provides that until 1935 there shall be no deduction of a loss for a prior year. I believe that the net loss provisions of the recent revenue acts rested upon sound principle; I believe that it was justifiable, in view of the existing emergency, to qualify the application of that principle to the extent of limiting the right to carry over the loss to a succeeding year. But the total elimination of recognition of the effect of losses for particular years upon the income account and the hardship which results from always having to pay tax on profit for a good year, without any right to offset profits by losses of a bad year, is unsound.

Limitation on the deduction of losses.—Another provision which should, in my opinion, be amended, is the section limiting the right to deduct losses on transactions in securities to the offsetting of gains from similar transactions in the same taxable year, as provided in section 23. In recent years income from business profits, from salaries, and from other sources, has in many cases been offset by losses on security transactions. It is the effect of such losses in diminishing the tax upon forms of income, such as I have mentioned, which, to a considerable extent, is responsible for the diminished yield of the income tax in these years. Undoubtedly, a very serious case can be made for continuing the right to so deduct such losses. In many cases, however, the losses thus deducted may be said to be paper or fictitious losses. In place of the securities in which the losses were taken, other securities were purchased without substantial change in income. The Treasury was disposed to agree that it was not unreasonable under present conditions to deny to taxpayers the privilege of offsetting forms of ordinary income through security losses. I think, however, that banks should be excepted. Banks, as a part of their regular business, purchase securities for investment purposes, which become an important element in their necessary secondary reserves. Speculation is not involved, nor is the question of protecting the revenues from improper deductions. It is my opinion that, particularly in the case of banks, a tax upon the gains and a denial of the losses is not necessary and can not be justified. I also recommend that the provision do not apply to bonds, which are normally purchased and held for investment purposes and which are not susceptible of manipulation so as to create fictitious losses.

Estate tax.—The recommendation of the Treasury with regard to additional estate tax was that it should be such as to increase the rates to the level of the 1921 act. This would have increased the maximum rate from 20 to 25 per cent. It was proposed that this tax be so framed as to constitute an additional tax to which credits for the payment of State inheritance or estate taxes, as permitted in the amount of 80 per cent against the present estate tax, should not apply. In the House bill the recommended basis for the treatment of additional estate tax is preserved, but the rates are drastically increased. The schedule begins with amounts in excess of $50,000 instead of $100,000 as at present; is graded sharply upward with narrow brackets and reaches a maximum rate of 45 per cent. The effect of the steeper gradation of a tax will be seen when it is observed that under the present law the maximum rate on an estate of $500,000 is 5 per cent, while in the new law it would be 13 per cent. The maximum rate is 80 per cent higher than the highest rate employed during the war, and the gradation upward is very much more rapid than under the war-time schedule.

So far as the production of additional revenue in the immediate emergency is concerned, the estate tax is not an available source, for the reason that new rates apply only to estates coming into existence after the passage of the act and the tax is not due until one year after the date of the death, and the time for payment may be long extended. In the bill it is recognized that the higher rates necessitate the allowance of a much longer period for payment, and it is provided that in the case of tax shown to be due by the return the period may be extended up to eight years, while in the case of deficiencies the period may be extended to four

years. In the case of any extension, interest must be paid at the rate of 6 per cent. The total amount of additional revenue from the estate tax during the fiscal year 1933 is estimated at $20,000,000.

The additional estate tax is thus not in substance a part of the emergency revenue program. The problem of fixing the rates is essentially one of long-time legislative policy. Taking a long-time view of the matter, the probable effect of much higher rates on the whole national economy must be taken into account. It is obvious that in very many cases executors or administrators will find great difficulty in making payment of such high estate taxes for the reason that they will not have available sufficient assets which can be readily turned into cash. It is by no means certain that this problem can be satisfactorily solved by allowance of longer periods of time for payment. The necessity of paying such high taxes will, in many instances, operate so as to bring about the sacrifice of capital values and the disruption of businesses.

There is an immediate adverse effect upon business recovery through the imposition of drastic estate-tax rates. Unquestionably there will be strong pressure on constructive business men whose activities normally result in the building up of new or enlarged business enterprises to refrain from employing their capital in such enterprises and to put it instead in forms in which it can be readily liquidated. When account is taken of this effect it is not clear that the imposition of very high estate-tax rates will not tend to decrease the revenue from various sources and to check business developments which might help in the field of employment and in many other ways. From a broad economic standpoint I think you should consider the danger of impairing the working capital of the Nation by this form of capital levy imposed at very high rates. It is my understanding that there exists in England a considerable body of opinion on the part of relatively disinterested observers that the high estate and income tax rates there in force have been a serious adverse economic factor.

The rates in the case of the gift tax are logically made dependent upon the rates of the estate tax. They are so constructed as to provide a differential of 25 per cent in favor of the gift tax; that is, the gift tax upon the disposition of a given amount of property is 25 per cent less than the total estate taxes would be upon the same property. So far as the gift tax is applied as a source of additional revenue there is question as to whether the provision of a greater differential would not operate to increase the revenue.

Manufacturers' excise taxes.—The manufacturers' excise taxes provided for under Title IV of the act include a considerable list, a number of them of a very minor character so far as expected revenue is concerned. These contrast with the relatively few taxes of much larger expected yield embodied in the Treasury proposals and with the manufacturers' excise tax as appearing in the bill reported by the Ways and Means Committee.

Those taxes which are in effect protective tariff duties present problems usually dealt with under a tariff act. Whether they should be included in a revenue bill is a matter of policy for the Congress to determine.

Each of the special sales taxes is deserving of being studied with reference to its scope and its effect on the competitive position of the article.

A question also arising with reference to the special group of manufacturers' taxes is as to whether a tax is imposed in any case with reference to an industry perhaps less well situated to bear the tax burden than other industries which are not taxed.

Sales taxes applying to great numbers of small establishments with no exemptions are, of course, very much more difficult and costly to administer and more subject to evasion than the broader taxes.

Tax on transfers of stock.—The provision for additional tax on transfers of capital stock and similar interests, introduces a new principle of basing the tax, not upon the number or par value of the shares, or certificates, but upon the selling price of the shares in case there is a selling price. It is provided that the transfer tax imposed shall not in any case be less than one-fourth of 1 per cent of the selling price. The additional taxes to be imposed must be considered in the light of the recent doubling of the transfer tax imposed by the State of New York.

As to whether the proposed tax is so high as to seriously interfere with the volume of security transactions in normal times the Treasury Department has not the information upon which to base an opinion. In view, however, of the present conditions existing in the security markets, it is a doubtful wisdom to attempt an experiment of this kind. Indeed, those men competent to know advise us that such a tax will seriously curtail legitimate and necessary activity on the security markets.

The provision appearing as section 723 (b), intended to effect the application of the stock-transfer tax to transfers occurring outside the United States, calls for close study. Obviously, there is doubt as to the legal power to give the tax extraterritorial effect and doubt as to whether the provisions of this section are capable of administration, or of just application.

From the administrative standpoint, there is some objection to basing a stamp tax liability upon a consideration of selling price or value instead of upon the simpler consideration of number or par value of shares which permit the tax to be most readily and definitely determined.

Tax on the transfer of bonds.—The bill includes a tax upon the transfer of bonds, which is to be 2 cents on each $100 or a fraction thereof, but not less than one-eighth of 1 per cent of the selling price. (Section 724.) No tax on transfers of bonds was included in the war revenue acts, or in any subsequent act. The reason for this sprang, undoubtedly, from the fact that bonds are, in general, negotiable instruments in bearer form, which can be transferred from hand to hand by mere delivery without the use of any instruments of transfer. In view of this freedom of transfer, the imposition of the tax upon a transfer is peculiarly difficult to enforce. It seems impossible to avoid widespread evasion of such tax. The larger proportion of transfers of bonds does not occur through established exchanges.

The introduction of the determination of the tax by the selling price has the objection of making the tax less easy to determine automatically and does not seem to be suitable for a stamp tax.

In conclusion, may I reemphasize the vital importance of balancing the Budget and the need of very greatly increasing our revenues, after making allowance for possible economies. So far as changes which I have recommended would decrease the revenue, I call attention to alternatives in the Treasury proposals summarized in Schedule A. I need hardly add that during the consideration of this bill the personnel of the Treasury will at all times be at the service of the committee.

Schedule A

Summary of Treasury Budget proposals as submitted to the House Committee on Ways and Means

[Millions of dollars]

	Estimated results for the fiscal year 1933		
	Proposals submitted December, 1931	Supplemental proposals [1]	Total
Revenue proposals:			
Corporation income (2)—			
Increase of one-half of 1 per cent in rate, elimination of exemption—			
Fiscal year	52		
First 6 months	(26)		
Second 6 months	(26)		
Additional increase of one-half of 1 per cent in rate—			
Fiscal year		17	69
First 6 months		(8)	(34)
Second 6 months		(9)	(35)
Individual income (2)—			
Basis of 1924 rates and exemptions—			
Fiscal year	134		
First 6 months	(53)		
Second 6 months	(81)		
Additional surtax increase—			
Fiscal year		50	184
First 6 months		(20)	(73)
Second 6 months		(30)	(111)
Additional tax on estates (basis 1921 act), without credit against additional tax for State inheritance taxes [3] paid	5		5

[1] From letter of Secretary Mills, Feb. 16, 1932, to the House Committee on Ways and Means.
[2] Increases assumed to be effective on 1931 incomes. For details, see table on p. 274.
[3] Increase assumed to be effective Mar. 1, 1932, will not affect collections until Mar. 1, 1933.

Summary of Treasury Budget proposals as submitted to the House Committee on Ways and Means—Continued

[Millions of dollars]

	Estimated results for the fiscal year 1933		
	Proposals submitted December, 1931	Supplemental proposals	Total
Revenue proposals—Continued.			
Tobacco manufactures, except cigars (increase one-sixth)	58		58
Conveyances of realty (basis 1924 act)	10		10
Sales or transfers of capital stock (increase 1 cent)	11		22
Sales or transfers of capital stock (additional 1 cent)		11	
Automobiles and accessories (basis 1924 act)	100		100
Passenger autos, 5 per cent 73			
Trucks, 3 per cent 6			
Accessories, 2½ per cent 21			
Admissions (1 cent per 10 cents on admissions over 10 cents)	110		110
Radio and phonograph (equipment and accessories, 5 per cent)	11		11
Telephone and telegraph messages (basis 1921 act)	50		50
Checks and drafts (2 cents each)	95		95
Gasoline tax (1 cent per gallon)		165	165
Domestic consumption of electricity and gas (7 per cent)		91	91
Postal deficit	150		150
Reduction in expenditures		118	118
Total	786	455	1,241

Schedule B

Budget program of the Committee on Ways and Means as submitted to the House of Representatives

	Estimated additional revenue for the fiscal year 1933
H. R. 10236:	
Manufacturers' excise tax, at 2¼ per cent	$595,000,000
Income tax—	
Individual: normal rates of 2, 4, and 6 per cent; surtaxr ates graduated from 1 per cent beginning at $10,000 to 40 per cent on amounts of net income in excess of $100,000	112,000,000
Corporation: rate of 13 per cent; specific exemption for corporations with small net income reduced from $3,000 to $2,000	21,000,000
Administrative changes	100,000,000
Additional estate tax and gift tax (estimates nominal)	[1] 35,000,000
Admissions tax, at 10 per cent on admissions of 25 cents and over	90,000,000
Stock transfers and sales, increase from present rate of 2 to 4 cents, and application of tax of 4 cents to loans of stocks	28,000,000
Lubricating oil, 4 cents per gallon	25,000,000
Malt sirup, 35 cents; wort, 5 cents per gallon; and grape concentrates, 40 per cent	50,000,000
Telegraph, telephone, and radio messages, 5 cents on messages costing 31 to 49 cents and 10 cents on messages costing 50 cents or more	35,000,000
Gasoline, gas oil, fuel oil, and crude oil imports, 1 cent per gallon	5,000,000
Total additional revenue	1,096,000,000
Reduction in expenditures (including postal deficit, $25,000,000)	150,000,000
Total additional revenue and reduction in expenditure	1,246,000,000
Amount required to balance the Budget [2]	1,241,000,000
Excess over requirements	5,000,000

[1] As originally submitted, increase assumed to be effective Mar. 1, 1932.
[2] Exclusive of statutory debt retirements.

SCHEDULE C

Summary of H. R. 10236 as passed by the House

[Millions of dollars]

	Treasury estimates of additional revenue, fiscal year 1933, revised
Title I.—Income tax:	
Individual income tax—	
H. R. 10236, as introduced	112
Amendment increasing highest normal rate to 7 per cent	3
Additional surtax brackets, beginning $6,000	7
Dividends subject to normal tax	89
Total	211.0
Corporation income tax—	
H. R. 10236, as introduced	21
Reduction in exemption from $2,000 to $1,000	6
Further increase in rate, 13 to 13½ per cent	8.4
Additional increase in rate from 13½ to 15 per cent for consolidated returns	8.0
Total	43.4
Other income tax changes, largely administrative—	
H. R. 10236 (administrative changes in bill as introduced)	100
Repeal of net loss provisions	7
Dividends (sec. 115b)	6
Dividends (sec. 115d)	2
Revision of depletion allowance	1
Dividends, tax on foreign corporations and nonresident aliens	3
Total	119.0
Title II.—Additional estate tax (H. R. 10236, as amended)	[1] 20.0
Title III.—Gift tax (H. R. 10236, as amended)	[2] 5.0
Title IV.—Manufacturers' excise tax:	
Lubricating oils (4 cents per gallon)	35
Brewer's wort and malt sirup, (5 cents and 35 cents per gallon); grape concentrates (40 per cent)	46
Imported gasoline, fuel oil, etc. (1 cent per gallon)	5
Imported coal ($2 per ton)	.5
Toilet preparations (10 per cent manufacturers' sales)	20
Furs (10 per cent manufacturers' sales)	15
Jewelry (10 per cent manufacturers' sales)	15
Passenger automobiles (3 per cent manufacturers' sales)	44
Trucks (2 per cent manufacturers' sales)	4
Accessories (1 per cent manufacturers' sales)	8
Yachts, motor boats, etc. (above $15 value, 10 per cent)	.5
Radio and phonograph equipment and accessories (5 per cent manufacturers' sales)	11
Mechanical refrigerators (5 per cent manufacturers' sales)	6
Sporting goods and cameras (10 per cent manufacturers' sales)	6.5
Firearms and shells (10 per cent manufacturers' sales)	2.5
Matches (4 cents per 1,000)	11
Candy (5 per cent manufacturers' sales)	12
Chewing gum (5 per cent manufacturers' sales)	3
Soft drinks (basis 1921 act)	10
Total	255.0
Title V.—Miscellaneous taxes:	
Part I.—Telephone, telegraph messages, etc., except newspapers (5 cents on messages costing 31 to 49 cents and 10 cents on messages costing 50 cents or more)	33
Part II.—Admissions (1 cent for each 10 cents on admissions over 15 cents)	40
Part III.—Stamp taxes—	
Issues of bonds and capital stock, etc. (10 cents per $100)	8
Transfer of stocks, etc. (4 cents per $100 par value, or 4 cents per share no par, but not less than one-fourth of 1 per cent, 4 cents to apply to loans of stock)	70
Transfer of bonds, etc. (2 cents on each $100 par value, but not less than one-eighth of 1 per cent)	25
Conveyances, basis 1924 act (50 cents on $100 to $500; 50 cents per $500 in excess)	10
Sales of produce for future delivery (5 cents per $100)	6
Part IV.—Oil transported by pipe line (8 per cent of charge)	20
Part V.—Leases of safety deposit boxes (10 per cent of rental)	1
Total	213.0
Total additional taxes	866.4
Title VIII.—Increased postage rates and other postal provision (estimate of the Committee on Ways and Means)	[3] 165.5
Total	1,031.9
Required to balance budget (excluding debt retirement)	1,241.0
Deficit	−209.1

[1] Assuming collections beginning May 1, 1933.
[2] Assuming tax effective beginning July 1, 1932.
[3] Includes estimated effect on budget of H. R. 10236 and of other bills recently passed by the House.

Schedule D

Customs and internal revenue receipts, actual fiscal year 1931 and estimated fiscal years 1932 and 1933, on basis of law prior to the revenue act of 1932

[Millions of dollars]

	1931 Actual	1932	1933
		Estimated, Feb. 9, 1932	
Customs	378	375	430
Internal revenue:			
Income taxes—			
Current corporation	892	517	382
Current individual—			
Normal tax less earned income credit	124	82	67
Surtax	447	234	208
12½ per cent tax on gains less 12½ per cent tax credit on losses from sale of capital assets held more than 2 years	159	23	----------
Total current individual	730	339	275
Back taxes	239	220	210
Total income taxes	1,861	1,076	867
Miscellaneous internal revenue—			
Estate tax	48	55	45
Alcoholic spirits, etc	10	10	10
Tobacco taxes	444	410	434
Admissions and dues	14	14	15
Stamp taxes, including playing cards	47	34	43
Oleomargarine, process butter, etc	3	2	2
Miscellaneous, including narcotic taxes, delinquent taxes under repealed laws, etc	3	1	1
Total miscellaneous internal revenue	569	526	550
Total internal revenue	2,430	1,602	1,417
Total customs and internal revenue	2,808	1,977	1,847

Exhibit 25

Letter of Secretary of the Treasury Mills to the Chairman of the Senate Finance Committee, April 18, 1932, with reference to the Treasury's proposals in connection with the revenue bill of 1932

My Dear Mr. Chairman: In accordance with the request made to me, I am submitting a summary of the Treasury's revenue proposals brought up to date. As I stated to the Finance Committee, the Treasury Department has no new program. It adheres to the program originally submitted in the report of the Secretary of the Treasury, supplemented by our additional suggestions made to the Ways and Means Committee and by the administrative changes written in cooperation with the Ways and Means Committee, and now modified to take advantage of prospective economies larger than originally anticipated.

The program follows, in the main, the principles of the 1924 act. As the Secretary of the Treasury stated in his Annual Report submitted to the Congress in December, which set forth our revenue program in detail: "I advise that the Congress consider returning in principle to the general plan of taxation existing under the revenue act of 1924. The country knows the burdens to be expected under such a law. It paid taxes under that law and, notwithstanding the higher rates and broader scope of that act, found that these taxes did not constitute an unbearable burden nor prevent increased prosperity. Instead of embarking on new and untried ventures in taxation, it is wiser to utilize a known general plan with such changes as may be appropriate in the light of altered conditions."

As I pointed out to your committee, in bringing the plan submitted to the Ways and Means Committee up to date, it seems necessary to make certain modifications to meet altered conditions. Thus, the Treasury Department originally recommended that the 1924 income-tax rates be made applicable to 1931 income. Owing to our failure to secure the approval of the Congress, and the time having passed when this suggestion can be made effective, it is necessary to withdraw it, occasioning a loss in revenue for the fiscal year 1933. The loss is offset by the increased revenues which it is estimated will be made available by the tightening of the law through administrative changes provided for by the joint study and action of the Ways and Means Committee and the Treasury Department.

At the time the program was submitted to the Ways and Means Committee there was not sufficient information relating to possible economies to justify in my judgment budgeting on the basis of an estimated reduction in cost of Government in excess of $120,000,000. I am now confident that at least $200,000,000 may be expected as a result of the reduced cost of Government. This additional saving coupled with a proposed tax on malt sirup and wort, worked out in conjunction with the Ways and Means Committee, enables me to eliminate entirely the suggested tax on gas and electricity domestically consumed, and to reduce the suggested gasoline tax to be paid at the refinery from 1 cent a gallon to three-fourths of a cent a gallon.

As I stated to your committee, we now include in our program a gift tax as a safeguard to the integrity of the income and estate taxes, though it can not be looked upon as a strictly revenue producing measure.

There are two minor changes in the estimates: The one affecting the yield of the estate tax and occasioned by the delay in enactment of the legislation; and the other affecting postal receipts, due to a revised estimate of the Post Office Department.

I am attaching hereto a table summarizing the Treasury's proposals brought up to date.

Senator Harrison made a request of me which, if I understand it correctly, contemplates taking the bill as it passed the House of Representatives and while endeavoring to preserve as many of its provisions as possible, eliminating the most objectionable ones, more particularly the taxes which I indicated would impede economic recovery and resumption of employment, and substituting therefor other revenue proposals adequate to offset the resulting loss in revenue. I have tried to carry out Senator Harrison's directions. The result of that effort is the summary attached hereto. This is not my program and I am not submitting it as representing the Treasury's views as to the proper revenue measure or as my recommendations to the committee. To rewrite the bill to conform to the Treasury's views would make the summary essentially the same as the summary of the Treasury Budget proposals brought up to date, which is attached to this letter. As far as the substitute revenue proposals are concerned, there are, of course, others which the committee should consider if it decides to follow Senator Harrison's plan.

May I add that I am ready to cooperate in any way possible.

Sincerely yours,

(Signed) OGDEN L. MILLS,
Secretary of the Treasury.

Hon. REED SMOOT,
Chairman Committee on Finance,
United States Senate.

Summary of Treasury Budget proposals brought up to date, April 18, 1932. Emergency program to terminate in 1934

[Millions of dollars]

	Estimates of additional revenue for the fiscal year 1933
Income taxes:	
Corporation—	
Increase in rate from 12 to 13 per cent and elimination of present exemption of $3,000; effective beginning with incomes for calendar year 1932	35
Individual—	
Exemptions: $2,500 and $1,000.	
Normal rates: 2, 4, and 6 per cent.	
Surtax rates: $6,000-$10,000, 1 per cent; $10,000-$12,000, 2 per cent; thereafter, 1924 rates, plus 2 per cent (maximum rate, 42 per cent). Effective beginning with incomes for calendar year 1932	111
Limitation on deduction of security losses and other changes, largely administrative	100
Estate tax (basis 1921 act, specific exemption $50,000, maximum rate of 25 per cent)	[1] 3
Gift tax (rates and exemption as provided for estates in revenue act of 1921)	[2] 3

[1] Assuming collections beginning May 1, 1933; previous estimate assumed earlier effective date.
[2] Assuming tax effective beginning July 1, 1932.

Summary of Treasury Budget proposals brought up to date. Emergency program to terminate in 1934—Continued

[Millions of dollars]

	Estimates of additional revenue for the fiscal year 1933
Miscellaneous taxes:	
Tobacco manufactures, except cigars (increase present rates by one-sixth)	58
Conveyances of realty (basis 1924 act and included in H. R. 10236)	10
Sales or transfers of capital stock (increase rate to 4 cents)	22
Automobiles and accessories:	
Passenger automobiles, 5 per cent	73
Trucks, 3 per cent	6
Accessories, 2½ per cent	21
Admissions (1 cent per 10 cents on admissions in excess of 10 cents)	110
Radio and phonograph equipment and accessories, manufacturers' sales, 5 per cent (included in H. R. 10236)	11
Telephone and telegraph messages (basis 1921 act, i. e., 5 cents on messages costing 15 to 50 cents, 10 cents on messages costing over 50 cents)	50
Checks and drafts (2 cents each)	95
Gasoline tax at three-fourths of 1 cent per gallon (paid at refinery)	124
Malt sirup and brewer's wort, 35 and 5 cents per gallon; grape concentrates, 10 per cent	46
Postal deficit—Revised estimates of Post Office Department	155
Total	1,033
Required to balance the Budget [3]	1,241
Deficiency to be met by reduced expenditures	208

[3] Exclusive of statutory debt retirement.

Summary prepared in response to request of Senator Harrison

[Millions of dollars]

	Estimates of additional revenue for the fiscal year 1933	
Income tax:		
Individual income tax (H. R. 10236 as passed by the House, except dividends not subject to normal tax)		122
Corporation income tax: Increase in rate from 12 to 13 per cent, elimination of exemption		35
Limitation on deduction of security losses and other changes, largely administrative		109
Additional estate tax (basis of 1921 act)		[1] 3
Gift tax (rates and exemption as provided for estates in revenue act of 1921)		[2] 3
Manufacturers' excise taxes:		
Lubricating oils (4 cents per gallon)	35	
Brewer's wort and malt (5 and 35 cents per gallon); grape concentrates (10 per cent)	46	
Imported gasoline, fuel oil, etc. (1 cent per gallon)	[3] 5	
Imported coal ($2 per ton)	[3] .5	
Toilet preparations (10 per cent manufacturers' sales)	20	
Furs (10 per cent manufacturers' sales)	15	
Jewelry (10 per cent manufacturers' sales)	15	
Passenger automobiles (5 per cent manufacturers' sales)	73	
Trucks (3 per cent manufacturers' sales)	6	
Accessories (2½ per cent manufacturers' sales)	21	
Yachts, motor boats, etc. (above $15 value, 10 per cent)	.5	
Radio and phonograph equipment and accessories (5 per cent manufacturers' sales)	11	
Mechanical refrigerators (5 per cent manufacturers' sales)	6	
Sporting goods and cameras (10 per cent manufacturers' sales)	6.5	
Firearms and shells (10 per cent manufacturers' sales)	2.5	
Matches (4 cents per 1,000)	11	
Candy (5 per cent manufacturers' sales)	12	
Chewing gum (5 per cent manufacturers' sales)	3	
Soft drinks (basis of 1921 act)	10	
Total		299

[1] Assuming collections beginning May 1, 1933.
[2] Assuming tax effective beginning July 1, 1932.
[3] The Treasury expresses no opinion as regards these items.

Summary prepared in response to request of Senator Harrison—Continued

[Millions of dollars]

	Estimates of additional revenue for the fiscal year 1933
Miscellaneous taxes:	
Telephone, telegraph messages, etc., except newspapers (5 cents on messages costing 31 cents to 49 cents and 10 cents on messages costing 50 cents or more)	33
Admissions (1 cent for each 10 cents on admissions over 10 cents)	110
Stamp taxes:	
Issues of bonds and capital stock, etc., (10 cents per $100)	8
Transfer of stocks, etc. (4 cents per $100 par value, or 4 cents per share no par, 4 cents to apply to loans of stock)	28
Conveyances (50 cents on $100 to $500, 50 cents per $500 in excess)	10
Sales of produce for future delivery (5 cents per $100)	6
Oil transported by pipe line (8 per cent of charge)	20
Leases of safety deposit boxes (10 per cent of rental)	1
Checks and drafts (2 cents each)	95
Total	311
Total additional taxes	882
Title VIII.—Increased postage rates and other postal provisions (revised estimate of the Post Office Department)	[4] 155
Total	1,037
Required to balance Budget (excluding debt retirement)	1,241
Deficit	−204

[4] Includes estimated effect on Budget of H. R. 10236 and of other bills recently passed by the House.

Exhibit 26

Statement by Secretary of the Treasury Mills before the Senate Finance Committee, May 31, 1932, submitting further proposals in connection with the revenue bill of 1932

Events during the last two months, and more particularly the last few weeks, necessitate taking into account a changed situation as affecting the estimates of old and new revenue made by the Treasury Department in February. The estimates were predicated on a prompt enactment of a revenue bill furnishing a basis for, first, a stabilization of economic conditions, and then a gradual rise. Instead, there has been a marked contraction of economic activity and a further fall in commodity and security prices, so that not only has the date of recovery been postponed, but recovery starts from a lower level. This is bound to have an adverse effect on prospective revenues.

The Treasury recommended in February $1,125,000,000 in new taxes. That is the amount needed to-day.

The bill now before the Senate, even with the Finance Committee items still to be voted on, will bring in but $840,000,000, as compared with the $965,000,000 estimated under the old figures. Thus, there is a shortage of revenue between the amount originally estimated by the Treasury as necessary and the yield of the bill as it now stands of $285,000,000. The difference is due to a reduction by the Congress in new taxes amounting to $160,000,000—of which about $100,000,000 was agreed to by the Treasury in its eagerness for prompt action—and $125,000,000 is accounted for by changed conditions.

In other words, assuming that the expenditure figures are reduced below those submitted in the Budget message by not less than $350,000,000, $285,000,000 of additional revenue is needed to-day to balance the Budget. In order to bridge this gap, I unqualifiedly recommend turning to the manufacturers' excise tax along the lines of Senator Walsh's pending amendment. While the Treasury Department has hitherto refrained from recommending this tax, I had occasion to give it close study during its consideration by the Ways and Means Committee and I unhesitatingly indorse it to-day as the most effective means of balancing the Budget and giving assurance of yielding the needed revenue.

I further recommend the adoption of the so-called Connally income tax amendment, which means a return to the 1922 income tax rates, which I have hitherto opposed, but the necessity of balancing the Budget is so great that objections which up to the present time justified opposition to a particular tax can in this emergency no longer be considered valid.

If the Senate is unwilling to follow what I deem to be the wise course, I suggest as a possible alternate program: (1) The Connally amendment, yielding approximately $70,000,000; (2) a gasoline tax of 1 cent, yielding approximately $150,000,000; and, (3) restoration of the exemption on admissions to 10 cents, which will yield $55,000,000 more than is now provided for; or a total of $275,000,000.

EXHIBIT 27

Summary of Treasury estimates of additional revenue for the fiscal year 1933, prepared May 31, 1932, and released June 4, 1932, by the House and Senate conferees on the revenue bill of 1932

[In millions of dollars]

Title I.—Income tax:	
Individual—	
Normal tax rates, 4 and 8 per cent (exemptions $2,500 and $1,000)	63
Surtax rates, 1 per cent on net income in excess of $6,000 to 55 per cent on net income in excess of $1,000,000	88
No earned income credit	27
Total	178
Corporation—	
Rate, increased from 12 to 13¾ per cent	22
Exemption, eliminated	16
Consolidated return, additional rate of three-fourths of 1 per cent	3
Total	41
Limitation of security losses and other changes, largely administrative	80
Title II.—Estate tax	(1)
Title III.—Gift tax, rates of three-fourths of 1 to 33⅓ per cent	[2] 5
Title IV.—Manufacturers' excise taxes:	
Lubricating oil, 4 cents per gallon	33
Brewer's wort, 15 cents per gallon; Malt sirup, 3 cents per pound; Grape concentrates, 20 cents per gallon	82
Imported gasoline, crude oil, etc.; coal, lumber, and copper	6.5
Tires and tubes, 2¼ and 4 cents per pound	33
Toilet preparations, 10 per cent (except dentifrices, soaps, etc., 5 per cent)	13.5
Furs, 10 per cent	12
Jewelry, 10 per cent on amounts over $3 (plated silverware exempt)	9
Passenger automobiles, 3 per cent (tires and tubes exempt)	32
Trucks, 2 per cent	3
Parts and accessories, 2 per cent (tires and tubes exempt)	7
Radio and phonograph equipment and accessories, 5 per cent	9
Mechanical refrigerators, 5 per cent	5
Sporting goods and cameras, 10 per cent	5
Firearms and shells, 10 per cent	2
Matches, wood, 2 cents per thousand; paper, one-half cent per thousand	4
Candy, 2 per cent	4
Chewing gum, 2 per cent	1
Soft drinks, various rates	7
Electrical energy, 3 per cent on sales for domestic and commercial purposes	39
Gasoline, 1 cent per gallon (sales at refinery)	150
Total, Title IV	457
Title V.—Miscellaneous taxes:	
Part I. Telephone, telegraph messages, etc.—	
Telephone, 10 cents, messages costing 50 cents to $1; 15 cents, $1 to $2; 20 cents, $2 and more; Telegraph, 5 per cent; Cable and radio, 10 cents each	22.5
Part II. Admissions, 1 cent per 10 cents on admissions over 40 cents (educational and Olympic exemption eliminated)	42
Part III. Stamp taxes—	
Issues of bonds or capital stock, 10 cents per $100	6.5
Transfers of stock 4 cents per $100 par value, or 4 cents per share no par, 5 cents for shares selling over $20 (rates to apply to loans of stock)	20
Transfers of bonds, 4 cents per $100 par value	5
Conveyances, 50 cents on $100–$500; 50 cents per $500 in excess	8
Sales of produce for future delivery, 5 cents per $100	6
Part IV. Oil transported by pipe line, 4 per cent of charge	8
Part V. Leases of safety deposit boxes, 10 per cent of rental	1
Part VI. Checks, 2 cents each	78
Part VII. Boats, various rates	.5
Total, Title V	197.5
Total additional taxes	958.5
Title VIII.—Increased postage rates (and other postal legislation)	[3] 160
Total additional taxes and postal revenue	1,118.5

[1] Assuming collections, beginning after June 30, 1933.
[2] Assuming tax effective, beginning July 1, 1932.
[3] This item, as it affects the Budget, would be reflected in a reduction in the postal deficit and not in an increase in ordinary receipts.

TAXATION

Exhibit 28

Financial Relations of the Federal and State Governments, paper read by Secretary of the Treasury Mills, April 29, 1932, before the Association of the Bar of the City of New York, New York City

I

Taxation in this country has become a matter of dominant national importance. The aggregate tax burden is so great as to constitute an economic factor of such prime importance as to affect directly or indirectly almost every sphere of public and private activity.

In 1930, according to a study just completed by the National Industrial Conference Board, the taxes collected by the Federal, State, and local governments reached the staggering sum of $10,266,000,000, amounting to 14.4 per cent, or one-seventh, of the estimated national income of $71,000,000,000 for that year. The increase in total tax collections between 1923 and 1930 was 42 per cent. Part of this increase may be explained, of course, by the growth in population, but even on a per capita basis the increase during that 7-year period was 28.5 per cent; and converting the per capita tax payments into dollars of the same purchasing power, the increase was nearly 50 per cent (49.8 per cent).

Take, for instance, our largest tax, the property tax. According to the study which I have mentioned, property taxes in 1929 accounted for more than 76 per cent of the total State and local taxes, and over 50 per cent of the total taxes collected by all jurisdictions. Some idea of the menacing pace at which the burden of this tax has been advancing may be gathered from the following statement by the Committee on Taxation of the President's Conference on Home Building and Home Ownership:

"*Tax rates upon real estate.*—The burden imposed by the property tax upon real estate is nearly everywhere heavy and in many communities destructive. In 1910 the average rate of the general property taxes imposed by cities having more than 30,000 inhabitants was 18.9 mills on the assessed valuation. This average rate rose to 20.2 mills in 1918, and to 27 mills in 1928. In addition, State taxes (averaging 2 mills) were collected in the majority, county taxes (averaging 5.9 mills) in a large number, and special taxes (averaging 1.2 mills) in a very small number of these cities. While no weighted general average covering State, county, city, and special levies can be accurately computed, it is highly probable that this general average exceeds 30 mills for the year 1931. Approximately half of the taxpayers are above the average, i. e., pay more than 30 mills at the present time. It is among those taxpayers that the hardship is greatest. In general, property is still assessed at less than full value. But in millions of cases to-day the assessed value equals or exceeds the actual market value. Such properties are paying to the State and local governments an annual average rate which frequently exceeds 3 per cent upon their full capital value.

"A useful measure of the burden of the property tax is found in the proportion of rental income (before taxes) taken by the tax. The results of studies of urban property taxes in nine States are thus summarized by Whitney Coombs in his Taxes on Farm Property (p. 32): Arkansas (1923–1925), 17.1 per cent; Colorado (1926), 27.1 per cent; Indiana (1922–23), 30.6 per cent; Iowa (1927), 31.3 per cent; North Carolina (1927), 29.5 per cent; Pennsylvania (1924–25), 20.9 per cent; South Dakota (1922–1926), 29.9 per cent; Virginia (1926), 16 per cent; Washington (1924–1926), 31.7 per cent."

Speaking of financial conditions in the States and cities, this committee concluded that "the present situation is characterized by excessive public spending, excessive reliance by local governments on the property tax, and by excessive concentration of the property tax on real estate." This last factor—the excessive concentration of the property tax on real estate—is itself responsible for a major social evil. It "discourages and materially restricts home ownership" while it creates a tax load which bears with crushing weight upon the debt-ridden farm owners.

I quote from an address before the 1931 Conference of National Tax Association by Dr. Eric Englund, assistant chief of the Bureau of Agricultural Economics:

"Studies in several States from 1922 to 1927 showed that real-estate taxes took an average of about one-third of the net rent of farms. Judging by the trends of farm prices and of farm taxes since that period, the ratio of taxes

to net rent in the past year, no doubt, was much higher, taxes probably absorbing the whole rent in the case of a substantial portion of the farms, especially in regions of higher tax levies."

Of course the people are in large measure themselves to blame. They have not only tolerated, but given encouragement to an ever-expanding cost of government. The spenders were the ones elected to office; and bond issues voted with cheerful alacrity. It is true that President Coolidge succeeded in dramatizing economy, but I remember in our State when Governor Miller, under the urging of the electorate, resumed the practice of law, it was openly said that economy in government would not be a successful issue in New York State in many a year. And it has not been. Not only are our taxes too high, but if we view our Federal, State, and local taxes as a whole, we do not find anything that faintly resembles a logical and coordinated plan, but rather a number of unrelated systems, frequently overlapping and existing in a state of confusion that gives rise to all manner of maladjustments, duplications, and irregularities.

II

There is a growing conviction, which I share, that the time has ceased when the Federal and State Governments may safely chart separate and unrelated courses over the troubled financial waters which they must now all traverse. The time for drifting has passed. The time for considerate and conscious coordination has arrived.

The Federal Constitution segregates in rudimentary and imperfect fashion a few of the sources of Federal and State taxation. In practical effect it prevents the Federal Government from imposing property and poll taxes, and denies the States, without the consent of the Congress at least, power to levy taxes upon imports and exports or to burden interstate commerce by direct taxation. But here, practically, separation of sources stops and joint use begins. Both State and Federal Governments may, at one and the same time, tax incomes, sales, production, consumption, privileges, and the transfer or inheritance of property.

While this concurrent power over taxation has been enjoyed by both the State and the Federal Governments since the birth of the Nation (except with respect to the income tax, which was not conclusively brought within the Federal powers until the adoption of the sixteenth amendment), it created no serious difficulties until recent years. During most of our history, the main sources of revenue used respectively by the States and by the Federal Government were distinct and separate. In the period between the War of 1812 and the Civil War, the Federal Government derived its revenue almost wholly from duties on imports; while the States relied almost entirely upon the property tax. During the Civil War and the period immediately following that conflict, the Federal Government was compelled to utilize additional sources of revenue, such as income, inheritance, sales and miscellaneous excise taxes. But by 1883 these additional taxes, except for the taxes upon tobacco and liquor, had been discarded; and until the end of the first decade of this century, customs and tobacco and liquor taxes furnished practically all the tax revenue received by the Federal Government. Meanwhile the State and local governments continued to rely primarily on the property tax, although they made increasing use of corporation taxes, licenses, and death duties. Until about 1910, however, each department of government gave free steerageway to the other. Conflicts of jurisdiction arose and gave rise to important interpretations of our constitutional law. But neither department of government exercised its taxing powers so as seriously to embarrass the other.

Since 1910 the picture has materially changed. Pressure for additional revenue has forced the States and the Federal Government to bear heavily upon the same sources of revenue. The Federal Government adopted a full-fledged income tax in 1913, an estate tax in 1916; and it seems plain that, as a consequence of the World War and changed economic conditions, it must continue to occupy, though not necessarily to the exclusion of the States, this field of taxes upon wealth and income—a field which the States had never thoroughly exploited. On the other hand, the States during the same period substantially increased their revenues from the inheritance tax and revived the income tax. Beginning with Wisconsin, in 1911, State after State adopted an income tax, though at very moderate rates, until to-day there are 22 with this form of taxation. The States have also invaded the field of consumption taxes, formerly used almost exclusively by the Federal Government. To-day every State imposes a gasoline tax, and 13 make use of taxes on tobacco or cigarettes, and State taxes upon amusements and semiluxuries are spreading.

This simultaneous and overlapping use of the same tax sources by the State and the Federal Governments has come gradually, almost stealthily, without the guidance of any broad policy or plan of national finance. It subjects us to a haphazard scheme rather than an ordered system of taxation, which lacks uniformity and coordination, involves government and taxpayer alike in serious difficulties, and is growing steadily worse.

III

There is nothing inherently wrong in the use by both the Federal Government and the States of the same source of revenue. But when it is done without agreement or understanding between the competing jurisdictions and without the restraint of a superior power, it may easily result in a combined burden heavy enough to cripple the source. The danger is especially great in the case of "popular" taxes, such as the income and inheritance taxes, popular because they are so levied as to reach comparatively few people. There is a growing dispostion to rely more and more heavily upon these taxes, and since this tendency characterizes both the State and the Federal Governments, the result may be serious, not only to those subject to the tax but to the governments and the national economy as well, because of the decreased yield that inevitably follows excessive taxation.

This danger is by no means imaginary. For example, Wisconsin recently doubled its personal-income tax rates on 1931 income, bringing the tax to more than 15 per cent on income in excess of $12,000. If Wisconsin should find it necessary or desirable to continue this emergency tax for another year, as is not altogether improbable, and the Federal rates adopted by the House are enacted into law, the combined State and Federal tax on residents of Wisconsin, with respect to income earned this year, would range from 17 per cent to 22 per cent on income in excess of $12,000, up to 62 per cent on income in excess of $100,000. Similarly, if the income tax rates of the House bill (H. R. 10236) are adopted and Wisconsin continues its corporation income-tax rate beyond 1931, income derived by corporations from property located and business transacted in Wisconsin, will pay a combined rate of more than 20 per cent.

Or, take the gasoline tax which is now imposed by every State in the Union. The rates range from 2 to 7 cents per gallon, and are steadily being increased. In some places the tax is in excess of the market price of gasoline at the refinery. In its pressing need for money, the Federal Government may legitimately feel that it is entitled to use this source to a moderate extent, especially in view of the fact that the Federal Government grants the States substantial monetary aid in their roadbuilding programs—the very purpose for which the gasoline tax was primarily introduced. Yet, because of the preemption or prior use of this tax by the States, and the high rates in force in some States, the Federal Government must pause and consider before adding a Federal tax, though Federal entry into this field might help the States in the administration of the tax, which is tending in some places to break down because of the bootlegging of gasoline.

Or, consider the tobacco taxes. The Federal Government has imposed these taxes since the Civil War, and the rates are high. The State governments claim that they are entitled to use consumption taxes on "articles of widespread use but not of first necessity." Moreover, in States like North Carolina, in which large amounts of tobacco are grown and in which great tobacco factories are located, there is a natural feeling that since tobacco represents one of their major industries they should be entitled to a substantial revenue from this source. But the Federal tax stands in the way. Even so, 13 States levy taxes on tobacco or cigarettes in addition to the Federal taxes.

A striking illustration of the danger of joint use of the same source is found in the stamp taxes on stock transfers. In its present mood public opinion is not sympathetic either towards the stock broker or the stock market, particularly in those districts which contain no stock exchange and comparatively few stock brokers. Spurred by revenue necessities, the State of New York recently doubled its stock transfer tax at a time when the Federal Government was moved by a similar impulse. The result is a proposal or bill from the House of Representatives which imposes a minimum tax of 4 cents on each share of stock transferred and a maximum tax of one-fourth of 1 per cent of the selling price, while the exemption upon stock loans for short selling has been repealed, thus subjecting short sales to double the ordinary rates. This proposal if enacted into law may be enough, with the New York tax, to restrict activity in the chief security market.

Joint taxation of this character entails another evil which should, if possible, be eliminated. This is the waste involved in the duplication of administration, and the correlative annoyance to taxpayers arising from the necessity of complying with two or more sets of requirements with respect to the same kind of tax. The amount of money which such duplication involves probably runs into large figures.

IV

Interstate Commerce Complications.

Another major problem affecting the financial relations of the State and Federal Governments arises from those constitutional provisions which have been interpreted to inhibit the States from hindering interstate trade or commerce by direct taxation. The uncertainty of the constitutional law involved and the changing subtleties of the decisions which interpret that law deprive the States—it is hardly too much to say—of the free and natural use of those taxes most suited to corporations engaged in interstate commerce. A recent and learned commentator, E. F. Albertsworth, professor of law at Northwestern University, says that the States are "hemmed in and hamstrung" by the decisions declaring taxes or licenses to be direct restraints or burdens upon interstate trade.

After many years of serious thought, some of our most qualified students of taxation have reached the conclusion—which I still hesitate to share—that State taxation on business should be based upon or measured by gross receipts or gross income rather than net income. Such a tax is comparatively easy to administer; it yields a substantial revenue which is not subject to as wide fluctuations as is the net income tax; and it is possibly the best available measure of the benefit which business receives from government and for which business should legitimately be asked to pay. But with business partaking to such a large extent of the character of interstate commerce, the usefulness of a gross receipts tax is materially circumscribed by the inability of the State to tax directly the receipts from such commerce. Not only is the possible yield of such a tax greatly reduced, but there is unjustifiable discrimination in favor of those taxpayers engaged to a considerable extent in interstate commerce and against those who are primarily engaged in business within the confines of a particular State. The difficulties which the States have had in the taxation of public utilities doing an interstate business—particularly the railroads and telephone companies—are well known.

The same obstacle stands in the way of effective use of sales taxes, except those sales taxes which are most difficult to administer, that is, retail sales taxes. And even with respect to retail sales taxes, the interstate commerce restriction has, indirectly, an adverse affect.

In the first place, there is the uncertainty as to when and under what conditions such sales taxes represent a direct burden upon interstate commerce. Our law books are replete with decisions dealing with this question, but it arises again and again. Only recently the Supreme Court was called upon to decide the question as to whether gasoline used in busses or airplanes carrying passengers in interstate traffic could be taxed by the State in which the gasoline was purchased.

Secondly, the inability of States to tax interstate commerce leaves such sales taxes vulnerable to easy violation. Take the gasoline tax. There has developed a gasoline bootlegging racket of quite sizable proportions which, according to one competent authority, is depriving the States of $100,000,000 of revenue yearly. Much of this evasion is directly attributable to the purchase of gasoline in a State with a low rate of tax and its sale in a State with a high tax. The States can not adequately check the purchases and sales of the retail service station. Their control must depend largely upon supervision and check upon the refineries, the large distributors, and the shipments by the recognized carriers. But supervision falls down when the carrier is a bootlegger with a fleet of tank wagons, who can bring gasoline into the State without interference under the protection of the interstate commerce clause.

The same situation is found in connection with State tobacco taxes. A study recently made of the administration of State taxes on cigarettes shows that whereas in 1930 the per capita consumption of cigarettes in the entire country averaged 975, the five States which in that year levied a tax solely on cigarettes collected, on the average, taxes on only 431 cigarettes per capita. While we may not assume that the average actual consumption in these five States was the same as the average for the country, yet the figures would indicate that many a cigarette was smoked in these States on which the State tax had not been paid.

In addition to violation of the law, the restrictive effect of the interstate commerce clause upon State sales taxes produces a considerable amount of inequity. Such taxes, of course, find their way usually into the price at which

the taxed article is sold to the ultimate consumer. Retailers in the taxing State who are located at or near the border of a State which does not tax that article, or which taxes it at a lower rate, are likely to find themselves in the unenviable position of having to absorb the tax themselves or of seeing their customers cross the line into the neighboring State in order to purchase the article at a lower price. It is not uncommon, for instance, to find service stations near State lines selling gasoline at the same price as that which obtains in the next State, in which the tax is lower. Similarly, the competition which the merchant in the taxing State must meet from the mail-order houses which can sell free of tax, since such sales are interstate commerce, is a serious evil.

Governor Gardner speaking before the North Carolina General Assembly said about a year ago: "Any tax that we add to sales within the State helps to turn the scale against business in North Carolina and in favor of business outside of North Carolina. I can not favor any system of taxation that imposes this additional burden on the retail merchants of North Carolina, and that penalizes business within and encourages business without the State."—U. S. Daily, March 26, 1931.

V

Other Constitutional Limitations on State Taxation.

Because they are rather closely related to the problems already discussed, and because their solution may go hand in hand with the solution of the conflicts in State and Federal taxation, mention may be made of certain active problems arising from constitutional limitation upon State taxing powers, although these problems are not involved in the relationship between the State and Federal taxing powers. These problems are (1) the taxation of the obligations and instrumentalities of other jurisdictions, and (2) the allocation to a particular State, for purposes of taxation, of the appropriate share of a subject of taxation which can not be wholly assigned to one State. Both of these problems have particular reference to State income taxes. These are extremely difficult questions, and the specific forms in which they arise require that they be submitted again and again to the courts for determination. We can never be sure, in many cases, about the validity of certain provisions of State income tax laws until their effect is determined by the courts of last resort. And even then we can not be certain, as will be readily understood by those who have been interested in the recent decisions of the Supreme Court as to the power of a State to include income from bonds and instrumentalities of the Federal Government in a franchise or excise tax measured by net income.

In May, 1929, the Supreme Court rendered its decision in Macallen Co. *v.* Mass. (279 U. S. 620) holding that under the Massachusetts corporation excise tax, interest from Federal bonds could not be included in the measure of the tax. Because of the stress laid by the decision on the necessity of considering the true substance and operation of State tax laws rather than their form or name, and the finding that the Massachusetts law "in substance and effect imposes a tax upon Federal bonds and securities," the decision was believed by many of our best lawyers and tax experts to be a substantial modification, if not a reversal, of a long line of prior decisions which drew a distinction between direct taxes on income or capital stock and excise taxes measured by income or capital stock—a distinction with little economic or practical difference.

But in less than two years, in January, 1931, came the decision in Eductional Films Corp. *v.* Ward (282 U. S. 379) holding that royalties derived from Federal copyrights might be included in the measure of the New York corporation franchise tax. The decision reaffirmed the distinction which was thought to have been discarded in the Macallen case.

And on the 11th of this month, came the decision in Pacific Co. *v.* Johnson, holding that the inclusion of interest from Federal bonds in the measure of the California corporation franchise tax, was permissible. The decision reached was contrary to that made in the Macallen case, yet it would be most difficult to find any substantial distinction in the facts presented in the two cases. Though the court does not admit it in so many words, it is plain that in less than three years after its promulgation, the Macallen decision has been definitely overruled. As stated in the minority opinion, "We think there is no escape from the conclusion that if the Miller and Macallen cases were followed the legislation here under review would be condemned. To base a distinction of these cases from the pending case upon differences so lacking in substance as to be in effect no differences at all, simply adds to the confusion already too great in this field of taxation."

Similar confusion exists with respect to the power of the Federal Government to tax the income derived from State instrumentalities, as is amply shown by such conflicting cases as Gillespie *v.* Oklahoma (257 U. S. 501), Group No. 1 Oil Corp. *v.* Bass (283 U. S. 279), and Burnet *v.* Coronado Oil and Gas Co., decided less than three weeks ago.

A more important problem—perhaps the most important problem involved in the use of an income tax by the States—is the question of allocating or apportioning the net income of corporations engaged in interstate business to the particular States in which they operate. Nearly every conceivable formula for apportioning such income is to be found in our State laws. Some States allocate solely on the basis of one factor, such as tangible property, or gross sales; others allocate on the basis of a combination of factors, with varying methods of combination. Under such different measuring sticks, it is not difficult to see how a corporation may well be taxed on more than its entire net income. To state a simplified case, a corporation which did all its manufacturing in Connecticut, but sold all its product in South Carolina, would theoretically be taxed on its entire net income by each of these States, since Connecticut's allocation formula is based solely on property, while South Carolina's is based solely on sales. It is true that cases as bad as this seldom, if ever, arise, but there can be no doubt that serious inequity arises from lack of uniformity in these allocation formulas.

The problem of apportionment, moreover, which has caused much trouble to the courts, and to the taxpayers, has been so difficult that the courts are inclined to sustain any method of apportionment prescribed by the statute, provided it is not deliberately unfair or discriminatory. On the other hand, the Supreme Court has recently (in Hans Rees Sons *v.* North Carolina, 283 U. S. 123) invalidated a tax levied by North Carolina, under an apportionment formula based on property, where the taxpayer "proved" that it earned within that State less income than the amount reached by use of the formula. But the court's decision will probably be of little help, as the average corporation doing interstate business would find it most difficult to furnish such convincing proof as that supplied by the taxpayer in the North Carolina case. We can not and should not rely on the courts to solve this problem. While the courts may continue to render sound and helpful decisions in isolated cases, inequitable treatment, disputes, disgruntled feelings, and waste of time and money will continue until the problem is deliberately met with a cooperative effort to solve it. Certainly it is not too much to ask that the States shall join in a determined effort to avoid multiple taxation upon the income of corporations doing interstate business.

Such, then, is the pass to which we have come as a result of the short-sighted drifting course we have pursued and our failure to view in a comprehensive way the effects of the relationships between the Federal and State governments and between the States in matters of taxation. Our present system of taxation, if we can be said to have a system, is permeated by inequity, uncertainty, and administrative difficulties; the cost of collecting taxes is much too great, as is also the cost to the taxpayer in determining his tax liability and in furnishing the tax collector with the information required for the same purpose. We have too much tax competition, too much litigation and dispute. State tax systems have been prevented from developing along logical and effective lines, and the tax burden has fallen with unequal and crushing weight upon real property. We are sorely in need of simplification and uniformity; we need a much greater degree of cooperation and coordination in the framing of fiscal policies.

How can we achieve a better ordered, coordinated scheme of State and Federal taxes? Not by hasty action, but by beginning at once to give the subject the sustained study and discussion without which no satisfactory answer can ever be reached. One solution that has been advanced is a thoroughgoing separation of the revenue sources of Federal and State revenues. Much of our difficulty would be solved if we could assign certain forms of taxes to the Federal Government alone, and others to the States alone. Overlapping would be eliminated, cost of administration would be reduced, and each jurisdiction would be free to exploit its revenue sources without the necessity of keeping an eye open to what the other is doing. Something could undoubtedly be done along this line, but it is doubtful that this remedy would be sufficient. It seems impracticable to assign to either the States or the Federal Government alone such important types of taxes as the income tax and the estate tax. Under any logical plan of separation the Federal Government would be assigned those taxes which it can administer more effectively than the States—yet the States have particular need for these taxes. To take them away completely from the States would only result in a still heavier burden on real estate. Furthermore any complete plan of

separation would probably prove too inflexible in the long run and might become a source of friction between the States and the Federal Government.

Recognizing these difficulties, some observers advocate an extension of the principle now used in the Federal estate tax—the allowance of a limited credit against the Federal tax for a similar tax levied by the States. Perhaps, if such a credit were made conditional upon the State tax being administered under certain uniform provisions (excepting rates, of course), a large degree of simplification would be achieved. For example, a uniform method of allocation and apportionment of income arising from interstate business might be secured.

But here again there are serious objections. Such a credit would practically force the States to adopt the taxes involved and to adopt such rates as would take up the full credit, as the experience with the Federal estate tax credit has amply demonstrated. I am opposed to such a solution as tending further to undermine the sovereignty of the States, to concentrate authority in Washington, and to lessen the supervision and control which the taxpayer should exercise over the taxing power.

A third remedy which has been suggested is the enactment by Congress of a law permitting the States to tax directly interstate commerce under prescribed conditions and in accordance with specified methods—somewhat along the lines of the Federal act governing the taxation of national banks by the States. There is much to be said in favor of such a proposal. It would solve the difficulties arising from the restrictions upon the State in the taxation of interstate business, which I have already discussed, and would foster natural and effective methods of State taxation of business and State taxes upon sales or consumption. But such a law might be unconstitutional, although a strong case may be made out for its validity, if properly drawn. There is a good chance that the court would uphold a law designed to promote equitable taxation, which would permit and compel the equal taxation of interstate and intrastate business, and which would relieve the courts of constant wrestling with the nice problem of determining whether a tax operates to put a direct burden on interstate commerce or only an indirect and incidental burden.

Others have stressed the urgent need of uniform State legislation with respect to some forms of taxation, particularly the income tax. If such uniformity could be secured, undoubtedly many difficulties could be erased. But the attempt to bring the States together and effect a compromise of their conflicting interests would obviously be a formidable task, though it might be accomplished if the taxpayers affected—chiefly corporations doing an interstate business—would array themselves solidly behind such a movement.

Considering the obvious objections and limitations to the various plans for eliminating or reducing the evils which beset us in this field, the only safe conclusion is that there exists an urgent need for systematic, unbiased, and comprehensive study of these problems, before we can hope to secure the coordination in our State and Federal systems of taxation which we so sorely need. Such a study should be made by some commission on which the Federal and State governments shall be adequately represented by men of ability and breadth of view. Half of the members of this commission could be appointed by the President and half by the governors' conference. I have no doubt that the funds necessary to defray the small expenses of the commission for research and investigation could be secured without great difficulty, even in these times of financial stringency and enforced economy, for the possible benefits to be gained would far outweigh the cost. Though the task is a formidable one, the longer we delay tackling it, the more difficult it will become. In view of the immense popular interest which now undoubtedly exists, this would seem to be an auspicious moment to make a start.

Exhibit 29

Federal Income Tax Procedure, remarks of Under Secretary of the Treasury Ballantine, August 1, 1932, at the Symposium on Taxation at Columbia University, New York City

The high rates imposed by the new revenue act bring out the importance of Federal income-tax procedure. Determination with reasonable promptness of the precise amount which settles the tax account with the Government is particularly important to the business man. The technique and personnel which the Treasury has developed under past laws will help in minimizing uncertainties and delay under the new law.

A distinctive feature of Federal income-tax procedure is what may be referred to as self-assessment. Under our system, designed to accomplish prompt payment for the convenience of the Government, the amount of the original payments by taxpayers is computed by the taxpayers themselves upon their returns. Subsequent check by the Treasury is, of course, required by law and in any case may result in an additional assessment or in a refund. The war-tax measures contained many novel provisions which it took years to work out. Income-tax provisions can not be made entirely simple; facts in particular cases are frequently complicated, and adjustments from amounts originally paid in must be a normal incident of the application of the Federal income tax law. Failure to understand the nature of Federal income-tax procedure has been the cause of criticism of tax administration which is entirely unwarranted.

The process of determination upon additional assessments and refunds called for by the law is conducted by the Treasury with every safeguard and check to insure sound results. In every case the procedure calls for field examinations or field-office audits by trained auditors acting in groups or under group supervision. A physical examination of the books of the taxpayers is required in all cases involving any doubt. The field examination is followed by determination in Washington, in which especially trained officers deal with special questions. There is a large engineering force for questions of valuation and a large legal staff for legal questions. The determination of the audit or audit review in Washington is reexamined by the Commissioner of Internal Revenue, who has immediately about him a corps of trained technical advisers.

Reaching a decision in a case where any considerable amount is involved requires the participation of many individuals trained for their work and fully aware of their responsibilities. Most of these trained employees occupy their positions under Civil Service requirements. Under this procedure a result in a particular case dictated by the desire on the part of some officials either to harm or to benefit a taxpayer is out of the question.

In the case of any refund of the amount of $20,000 or over a public decision is made setting forth the fact of the refund and the grounds for the decision. In the case of every refund or credit to the amount of $75,000 or over, there must be a special review by the General Counsel and his staff, and the proposed refund or credit must also be submitted to the Joint Committee on Internal Revenue Taxation, composed of five members of the Senate and five members of the House, operating with a permanent staff. Submission to this committee of Congress must be made 30 days before the refund or credit is made, accompanied by a statement of the facts and of the reasons for the proposed action. The Treasury annually submits to Congress a list of all refunds of $500 and over and the Joint Committee annually publishes a report on refunds of $75,000 or over, with its comments. The Joint Committee of Congress has never attacked the motive of the Treasury in making any refund.

The checking of taxpayers' liabilities by the Treasury has resulted in very large net additional payments to the Government. During the period beginning with the fiscal year 1917 and including the first nine months of the fiscal year 1932, the Bureau of Internal Revenue has been called upon to administer collections of $47,696,120,436.97 in taxes and to deal with 119,098,969 returns. During this period, in dealing with this mass of returns, the Treasury has assessed additional taxes to the amount of $5,981,632,503; has made refunds totaling $1,384,352,575.09, and has credited or abated tax in the amount of $2,661,509,775.01. The total of additional tax assessed during this period has thus exceeded the total of the amounts refunded and the amounts credited or abated by $1,935,770,152.90.

In the case of the proposed assessments of additional taxes, the taxpayer has the right before payment is made to secure a determination by the United States Board of Tax Appeals. This body, entirely independent of the Treasury, is substantially a court and proceeds as such. Through further intensive consideration cases pending before the board may, however, be disposed of without actual trial, and for that purpose the Treasury maintains a body of experienced officials known as the Special Advisory Committee. It is the position of the Treasury that the tax law should be enforced by administration rather than by litigation, and that in any ordinary case it should be possible for the taxpayer and the Treasury to arrive at a determination of the tax liabilities.

Finality in tax determinations has been promoted by the provisions of the law authorizing final agreements with the taxpayer settling tax questions, and these provisions of law have been widely used.

A prompt and fair disposition of tax cases depends on the taxpayer as well as well as upon the tax officials. The Treasury, through publishing and keeping up to date its regulations interpreting the law and otherwise, takes pains to advise the taxpayers as fully as possible as to their rights and obligations. The task of publishing regulations and issuing requested rulings under the new revenue act has been an arduous one, particularly as only 15 days intervened between the signing of the new law and the effective date of most of the new taxes imposed. The importance of certainty and clarity as to meaning and operation of the new law is realized by the Treasury with a view to minimizing the confusion and uncertainties in business transactions affected by the new taxes. To this end the department is making every effort to act promptly on all requests for rulings arising under the new revenue act.

OBLIGATIONS OF FOREIGN GOVERNMENTS

Exhibit 30

World War Debt Postponement, an excerpt from the message of the President to the Congress on our foreign affairs, December 10, 1931

With the support of a large majority of the individual Members of the Senate and House, I informed the governments concerned last June that—

"The American Government proposes the postponement during one year of all payments on intergovernmental debts, reparations, and relief debts, both principal and interest, of course not including obligations of governments held by private parties. Subject to confirmation by Congress, the American Government will postpone all payments upon the debts of foreign governments to the American Government payable during the fiscal year beginning July 1 next, conditional on a like postponement for one year of all payments on intergovernmental debts owing the important creditor powers."

In making this proposal, I also publicly stated:

"The purpose of this action is to give the forthcoming year to the economic recovery of the world and to help free the recuperative forces already in motion in the United States from retarding influences from abroad.

"The world-wide depression has affected the countries of Europe more severely than our own. Some of these countries are feeling to a serious extent the drain of this depression on national economy. The fabric of intergovernmental debts, supportable in normal times, weighs heavily in the midst of this depression.

"From a variety of causes arising out of the depression, such as the fall in the price of foreign commodities and the lack of confidence in economic and political stability abroad, there is an abnormal movement of gold into the United States which is lowering the credit stability of many foreign countries. These and the other difficulties abroad diminish buying power for our exports and in a measure are the cause of our continued unemployment and continued lower prices to our farmers.

"Wise and timely action should contribute to relieve the pressure of these adverse forces in foreign countries and should assist in the reestablishment of confidence, thus forwarding political peace and economic stability in the world.

"Authority of the President to deal with this problem is limited, as this action must be supported by the Congress. It has been assured the cordial support of leading members of both parties in the Senate and the House. The essence of this proposition is to give time to permit debtor governments to recover their national prosperity. I am suggesting to the American people that they be wise creditors in their own interest and be good neighbors.

"I wish to take this occasion also to frankly state my views upon our relations to German reparations and the debts owed to us by the allied Governments of Europe. Our Government has not been a party to, or exerted any voice in determination of, reparation obligations. We purposely did not participate in either general reparations or the division of colonies or property. The repayment of debts due to us from the Allies for the advance for war and reconstruction were settled upon a basis not contingent upon German reparations or related thereto. Therefore, reparations is necessarily wholly a European problem with which we have no relation.

"I do not approve in any remote sense of the cancellation of the debts to us. World confidence would not be enhanced by such action. None of our debtor nations have ever suggested it. But as the basis of the settlement of these debts

was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world. I am sure the American people have no desire to attempt to extract any sum beyond the capacity of any debtor to pay, and it is our view that broad vision requires that our Government should recognize the situation as it exists.

"This course of action is entirely consistent with the policy which we have hitherto pursued. We are not involved in the discussion of strictly European problems, of which the payment of German reparations is one. It represents our willingness to make a contribution to the early restoration of world prosperity in which our own people have so deep an interest.

"I wish further to add that while this action has no bearing on the conference for limitation of land armaments to be held next February, inasmuch as the burden of competitive armaments has contributed to bring about this depression, we trust that by this evidence of our desire to assist we shall have contributed to the good will which is so necessary in the solution of this major question."

All the important creditor governments accepted this proposal. The necessary agreements among them have been executed, and creditor governments have foregone the receipt of payments due them since July 1, 1931.

The effect of this agreement was instantaneous in reversing the drift toward general economic panic and has served to give time to the peoples of those countries to readjust their economic life. The action taken was necessary. I am confident it commends itself to the judgment of the American people.

Payments due to the United States Government from many countries, both on account of principal and interest, fall due on December 15th. It is highly desirable that a law should be enacted before that date authorizing the Secretary of the Treasury, with the approval of the President, to postpone all payments due us on account of debts owed by foreign governments to the United States Government during the year ending June 30, 1932, and to provide for their payment over a 10-year period, beginning July 1, 1933.

As we approach the new year it is clear that a number of the governments indebted to us will be unable to meet further payments to us in full pending recovery in their economic life. It is useless to blind ourselves to an obvious fact. Therefore it will be necessary in some cases to make still further temporary adjustments.

The Congress has shared with the Executive in the past the consideration of questions arising from these debts. I am sure that it will commend itself to the Congress, that the legislative branch of the Government should continue to share this responsibility. In order that we should be in position to deal with the situation, I recommend the re-creation of the World War Foreign Debt Commission, with authority to examine such problems as may arise in connection with these debts during the present economic emergency, and to report to the Congress its conclusions and recommendations.

Exhibit 31

Statement by Secretary of the Treasury Mellon relative to the foreign debts and the re-creation of the World War Foreign Debt Commission (press release, December 12, 1931)

There should be no misinterpretation as to the administration's recommendations to the Congress relating to the debts due us from foreign governments and the re-creation of the World War Foreign Debt Commission. The administration is opposed to cancellation. No recommendation made carries any such implication. It is, however, the duty of those in authority to deal with realities, and there is no escaping the fact that some of our debtors can not meet in full the payments due us until there has been a substantial measure of economic recovery, and that the position of others is so changed as to call for consideration of their present situation in the light of existing circumstances. Our debt settlements were effected on the basis of the capacity of the debtors to pay. As the President said in his statement of June 20, "as the basis of the settlement of these debts was the capacity under normal conditions of the debtor to pay, we should be consistent with our own policies and principles if we take into account the abnormal situation now existing in the world."

Take the case of Great Britain, our best customer, which even in the depression year 1930 took $678,000,000 worth of American agricultural and industrial

products. The economic and financial changes of the past year have immensely increased the burden of her payments to us. The series of events through which Great Britain was forced off the gold standard are too recent to require enumeration. To-day the pound sterling is selling at $3.315 to the pound, which is a 32 per cent discount as compared with last year when it stood at parity or $4.866. All debts to Great Britain from foreign governments, except reparation payments, which are not being collected at all this year and are not likely to be collected in full next year, are payable in sterling. Her debt to us is payable in gold dollars. The combined effect of these unfavorable factors results in an enormously increased burden for the people of Great Britain.

Payments due during the present fiscal year will serve to exemplify the magnitude of the additional burden. With the pound sterling at par, the British treasury needs 32,800,000 pounds in order to pay us $159,500,000. With the pound sterling at the rate at which it sold on December 10, 1931, it would take 48,100,000 pounds, or an increase of 15,300,000 pounds, or 47 per cent. Or in other words, the burden on the British taxpayer is increased by almost one-half.

When the British debt settlement was made it was estimated that its present value at a 4¼ per cent interest rate was 80 per cent of the total amount due prior to funding. If the amount to be raised in pounds sterling to meet the obligations to us in dollars is increased by 47 per cent, it becomes apparent that from the standpoint of the British taxpayer he is asked to meet not the obligation as established by our debt commission but an amount considerably in excess of such obligation.

Nothing could more forcibly illustrate the changed situation which places on the executive as well as the legislative branches of government the duty of re-examining the obligations of our debtors and their ability to meet them during a period of world-wide economic depression.

Does any one believe that Austria or Hungary should be asked to pay the installments due from them in view of the extraordinarily straitened circumstances in which the people of those two countries find themselves and the great difficulty which they experience in obtaining foreign exchange for the purpose of carrying on even the minimum of essential commerce with the rest of the world?

Does any one believe that Germany should be asked by the United States Government to meet her payments on the costs of the Army of Occupation when such a demand by us must be inevitably followed by demands of other creditors to pay her reparations in full?

These instances should suffice to demonstrate that to stand on the letter of our bond, and to refuse to investigate or to consider the facts, is to fail in our responsibility to the American people whom we represent and to the debtors whose capacity to pay we ourselves undertook to determine.

What intelligent business man or banker would blindly refuse to investigate or to consider the altered circumstances of a debtor whose unsecured obligation he held?

The situation of our debtors has been immensely altered during the course of the last two years. New questions in relation to these debts are bound to arise in the course of the next few months. The Congress should be in a position through a commission created by it and composed in part of its own members to ascertain what the facts actually are and to deal with these new problems as they arise.

It is with such thoughts as these in mind that the President recommended the re-creation of the World War Foreign Debt Commission. I am confident that upon mature consideration this recommendation will commend itself to the Congress.

Exhibit 32

Statement by Under Secretary of the Treasury Mills concerning the postponement of payments of foreign governments due December 15, 1931 (press release, December 14, 1931)

There seems to be some confusion as to the discussion of yesterday between several Senators and myself, accompanied by Mr. Feis of the State Department, in respect of the postponement of payments on foreign debts during this fiscal year.

Installments are due on December 15 from a number of debtor nations. Since the appropriate committees of the Congress can not hold hearings on the proposed legislation until next week, it is obvious that the Congress can not act by the 15th.

However, inasmuch as 68 Senators and 276 Members of the House have already pledged themselves to support the legislation, it is equally obvious that when circumstances permit the action of Congress will be favorable.

In the meantime, some answer has to be given to representatives of foreign debtor governments in response to their inquiries as to the existing situation.

Should such inquiries be made, the Secretary of State proposed to say verbally something along the following lines:

"The President's proposal for a debt suspension of one year has been submitted to the Congress. Owing to the fact that the Congress only met last Monday and that the appropriate committees of the Senate and of the House of Representatives are not in a position to consider the proposed legislation prior to the 15th of December, it will be impossible for the debt suspension legislation to be enacted by that date. While recognizing that neither the President of the United States nor any of the executive departments of the Government has power to alter the terms of the debt agreements now in force, I desire to advise you that under the special circumstances in which the proposal was made and accepted and without intending in any way to vary the legal rights of this country, it appears to this Government that a postponement on the part of your Government of December 15 payments pending action by the Congress would not be subject to any just criticism."

As a matter of courtesy, and in order to keep Members of Congress fully informed, this proposed answer was shown by me to the Senators attending the meeting yesterday, as it had previously been shown to some Members of the House.

No Senator or Representative was asked to sign or approve such statement yesterday or at any time. No Senator was asked to commit himself, and this seemed to be fully understood. I simply told them that I was there to keep them informed and to ascertain whether anyone saw any objection to a statement made verbally in that form. No objection was voiced by anyone present.

Subsequent to the meeting this was fully explained to the representatives of the press in the presence of Senators Watson and Smoot.

May I add that there has never at any time been any intention of coupling the President's proposal to re-create the World War Foreign Debt Commission with the proposal for a one year's suspension of payments on foreign debts. The bill introduced by Senator Smoot and Representative Collier covering the latter proposal was prepared in the legislative drafting bureau of the House at the suggestion of the Treasury, given by the Treasury to Senator Smoot and Representative Collier, and contains no reference to the re-creation of a debt funding commission.

Exhibit 33

Joint resolution to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a ten-year period beginning July 1, 1933

[PUBLIC RESOLUTION—NO. 5—72D CONGRESS—H. J. RES. 147]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in the case of each of the following countries: Austria, Belgium, Czechoslovakia, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia, the Secretary of the Treasury, with the approval of the President, is authorized to make, on behalf of the United States, an agreement with the government of such country to postpone the payment of any amount payable during the fiscal year beginning July 1, 1931, by such country to the United States in respect of its bonded indebtedness to the United States, except that in the case of Germany the agreement shall relate only to amounts payable by Germany to the United States during such fiscal year in respect of the costs of the Army of Occupation.

SEC. 2. Each such agreement on behalf of the United States shall provide for the payment of the postponed amounts, with interest at the rate of 4 per centum per annum beginning July 1, 1933, in 10 equal annuities, the first to be paid during the fiscal year beginning July 1, 1933, and one during each of the nine fiscal years following, each annuity to be payable in one or more installments.

SEC. 3. No such agreement shall be made with the government of any country unless it appears to the satisfaction of the President that such government has

made, or has given satisfactory assurances of willingness and readiness to make, with the government of each of the other countries indebted to such country in respect of war, relief, or reparation debts, an agreement in respect of such debt substantially similar to the agreement authorized by this joint resolution to be made with the government of such creditor country on behalf of the United States.

SEC. 4. Each agreement authorized by this joint resolution shall be made so that payments of annuities under such agreement shall, unless otherwise provided in the agreement (1) be in accordance with the provisions contained in the agreement made with the government of such country under which the payment to be postponed is payable, and (2) be subject to the same terms and conditions as payments under such original agreement.

SEC. 5. It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner canceled or reduced; and nothing in this joint resolution shall be construed as indicating a contrary policy, or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

Approved, December 23, 1931.

EXHIBIT 34

Agreement with Finland, May 23, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 23d day of May, 1932, at the City of Washington, District of Columbia, between the Government of the Republic of Finland, hereinafter called Finland, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Finland and the United States, dated May 1, 1923, there is payable by Finland to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Finland to the United States, the aggregate amount of $312,295, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Finland on the terms hereinafter set forth, to postpone the payment of the amount payable by Finland to the United States during such year in respect of its bonded indebtedness to the United States;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $312,295, payable by Finland to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Finland to the United States, according to the terms of the agreement of May 1, 1923, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Finland to the United States in 10 equal annuities of $38,061 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bond numbered 9, dated December 15, 1922, matured December 15, 1931, in the principal amount of $55,000, and delivered by Finland to the United States under the agreement of May 1, 1923, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of May 1, 1923, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Finland provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of May 1, 1923, between Finland and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Finland and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly

authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Finland and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Finland has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

The Republic of Finland,
By Leonard Astrom,
Envoy Extraordinary and Minister Plenipotentiary.
The United States of America,
By Ogden L. Mills,
Secretary of the Treasury.

Approved:
Herbert Hoover,
President.

Exhibit 35

Agreement with Greece, May 24, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

Agreement, made the 24th day of May, 1932, at the City of Washington, District of Columbia, between the Government of the Hellenic Republic, hereinafter called Greece, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Greece and the United States, dated May 10, 1929, there is payable by Greece to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Greece to the United States, the aggregate amount of $220,000 under Part I of such agreement, and the aggregate amount of $889,080, including principal and interest, under Part II of such agreement; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Greece on the terms hereinafter set forth, to postpone the payment of the amount payable by Greece to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Greece hereby gives assurance to the satisfaction of the President of the United States of the willingness and readiness of Greece to make with the Government of each country indebted to Greece in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Greece with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. (*a*). Payment of the amount of $220,000 payable by Greece to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Greece to the United States, according to the terms of Part I of the agreement of May 10, 1929, above mentioned, is hereby postponed, so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Greece to the United States in 10 equal annuities of $26,338.90 each, payable in equal semiannual installments on July 1 and January 1 of each fiscal year, beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bonds numbered 7 and 8, dated January 1, 1928, matured July 1, 1931, and January 1, 1932, respectively, in the principal amount of $110,000 each, and delivered by Greece to the United States under Part I of the agreement of May 10, 1929, shall be

retained by the United States until the annuities due under this paragraph shall have been paid.

(*b*) Payment of the amount of $889,080 payable by Greece to the United States during the fiscal year beginning July 1, 1931 and ending July 1, 1932, in respect of the bonded indebtedness of Greece to the United States, according to the terms of Part II of the agreement of May 10, 1929, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Greece to the United States in 10 equal annuities of $107,935.86 each, payable in equal semiannual installments on November 10 and May 10 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. Bond numbered 5, dated May 10, 1929, matured November 10, 1931, in the principal amount of $218,000, and bond numbered 6, dated May 10, 1929, matured May 10, 1932, in the principal amount of $222,000, and delivered by Greece to the United States under Part II of the agreement of May 10, 1929, shall be retained by the United States until the annuities due under this paragraph shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of May 10, 1929, above mentioned. The proviso in paragraph 2 of Part I of such agreement, authorizing the postponement of payments on account of principal, and the option of Greece provided for in paragraph 4 of Part I to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of May 10, 1929, between Greece and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Greece and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Greece and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Greece has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, subject, however, to ratification, if necessary, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE HELLENIC REPUBLIC,
By CHARALAMBOS SIMOPOULOS,
Envoy Extraordinary and Minister Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 36

Agreement with Germany, May 26, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 26th day of May, 1932, at the City of Washington, District of Columbia, between the Government of the German Reich, hereinafter called Germany, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Germany and the United States, dated June 23, 1930, there is payable by Germany to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of bonded indebtedness of Germany to the United States on account o

the costs of the American Army of Occupation, the aggregate amount of 25,300,000 reichsmarks; and

Whereas, the Secretary of the Treasury, with approval of the President, is authorized to make on behalf of the United States an agreement, relating to costs of the American Army of Occupation, with Germany on the terms hereinafter set forth, to postpone the payment of the amount payable by Germany to the United States during such year in respect of its bonded indebtedness to the United States on account of the American Army of Occupation;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of 25,300,000 reichsmarks payable by Germany to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Germany to the United States on account of the costs of the American Army of Occupation, according to the terms of the agreement of June 23, 1930, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Germany to the United States in 10 equal annuities of 3,058,098.90 reichsmarks each, payable in equal semiannual installments on September 30 and March 31 of each fiscal year beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bonds numbered 4–B and 5–B, dated September 1, 1929, maturing on September 30, 1931, and March 31, 1932, respectively, in the principal amount of 12,650,000 reichsmarks each, and delivered by Germany to the United States under the agreement of June 23, 1930, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, the provisions of the agreement of June 23, 1930, between Germany and the United States, relating to costs of the American Army of Occupation, shall remain in all respects in full force and effect. The payment of annuities under this agreement shall be subject to the same terms and conditions as the payments under the agreement of June 23, 1930, above mentioned. The proviso in paragraph 5 of the agreement of June 23, 1930, authorizing the postponement of payments on account of principal, shall not apply to annuities payable under this agreement. Nothing in this agreement shall be construed as to affect in any respect other provisions of the agreement of June 23, 1930.

3. Germany and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the execution of this agreement have been completed as required by the laws of Germany and the United States, respectively, and in conformity therewith. It is understood, however, that this agreement is subject to ratification by Germany.

4. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Germany has caused this agreement to be executed on its behalf by its ambassador extraordinary and plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE GERMAN REICH,
By FRIEDRICH W. VON PRITTWITZ UND GAFFRON,
Ambassador Extraordinary and Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

Exhibit 37

Agreement with Hungary, May 27, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

Agreement, made the 27th day of May, 1932, at the City of Washington, District of Columbia, between the Government of the Kingdom of Hungary, hereinafter called Hungary, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Hungary and the United States, dated April 25, 1924, there is payable by Hungary to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Hungary to the United States, the aggregate amount of $69,342.75, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Hungary on the terms hereinafter set forth, to postpone the payment of the amount payable by Hungary to the United States during such year in respect of its bonded indebtedness to the United States;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $69,342.75 payable by Hungary to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Hungary to the United States, according to the terms of the agreement of April 25, 1924, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Hungary to the United States in 10 equal annuities of $8,451.16 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The bond numbered 8, dated December 15, 1923, matured December 15, 1931, in the principal amount of $12,000, and delivered by Hungary to the United States under the agreement of April 25, 1924, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of April 25, 1924, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Hungary provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of April 25, 1924, between Hungary and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Hungary and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Hungary and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Hungary has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, subject, however, to ratification, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

The Government of the Kingdom of Hungary,
By Laszlo Szechenyi,
Envoy Extraordinary and Minister Plenipotentiary.

The United States of America,
By Ogden L. Mills,
Secretary of the Treasury.

Approved:
Herbert Hoover,
President.

EXHIBIT 38

Agreement with Italy, June 3, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 3d day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Kingdom of Italy, hereinafter called Italy, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Italy and the United States, dated November 14, 1925, there is payable by Italy to the United Sates during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of bonded indebtedness of Italy to the United States, the aggregate amount of $14,706,125, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Italy on the terms hereinafter set forth, to postpone the payment of the amount payable by Italy to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, the Government of Italy hereby gives assurance, to the satisfaction of the President of the United States, of the willingness and readiness of Italy to make with the Government of each country indebted to Italy in respect of war, relief, or reparation debts an agreement in respect of the payment of the amount or amounts payable to Italy with respect to such debt or debts during such fiscal year, substantially similiar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual convenants herein contained, it is agreed as follows:

1. Payment of the amount of $14,706,125, payable by Italy to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Italy to the United States, according to the terms of the agreement of November 14, 1925, above mentioned, is hereby postponed so that such amount together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Italy to the United States in 10 equal annuities of $1,792,311.76 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bond No. 7, dated June 15, 1925, maturing June 15, 1932, in the principal amount of $12,200,000, and delivered by Italy to the United States under the agreement of November 14, 1925, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of November 14, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Italy provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of November 14, 1925, between Italy and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Italy and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Italy and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Italy has caused this agreement to be executed on its behalf by the Royal Italian Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the

approval of the President, pursuant to a joint resolution of Congress, approved December 23, 1931, all on the day and year first above written.

THE KINGDOM OF ITALY,
By GIACOMO DE MARTINO,
Ambassador Extraordinary and Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved.
HERBERT HOOVER,
President.

EXHIBIT 39

Agreement with Great Britain, June 4, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 4th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the United Kingdom of Great Britain and Northern Ireland, hereinafter called the Government of the United Kingdom, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between the Government of the United Kingdom and the United States, dated June 19, 1923, there is payable by Great Britain to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of the Government of the United Kingdom to the United States, the aggregate amount of $159,520,000, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with the Government of the United Kingdom on the terms hereinafter set forth, to postpone the payment of the amount payable by the Government of the United Kingdom to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, the Government of the United Kingdom hereby gives assurance, to the satisfaction of the President of the United States, of its willingness and readiness to make with the Government of each foreign country indebted to the Government of the United Kingdom in respect of war, relief, or reparation debts, an agreement in respect to the payment of the amount or amounts payable to the Government of the United Kingdom with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $159,520,000, payable by the Government of the United Kingdom to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of the Government of the United Kingdom to the United States, according to the terms of the agreement of June 19, 1923, above mentioned, is hereby postponed so that such amount together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by the Government of the United Kingdom to the United States in 10 equal annuities of $19,141,530.10 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of June 19, 1923, above mentioned. The proviso in paragraph 6 of such agreement, authorizing the postponement of payments on account of principal, and the option of the Government of the United Kingdom provided for in paragraph 5, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of June 19, 1923, between the Government of the United Kingdom and the United States above mentioned shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. The Government of the United Kingdom and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of the United Kingdom and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, the Government of the United Kingdom has caused this agreement to be executed on its behalf by The Right Honorable Sir Ronald Lindsay, Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by The Honorable Ogden L. Mills, Secretary of the Treasury, with the approval of the President, pursuant to the joint resolution of Congress, approved December 23, 1931, all on the day and year first above written.

THE GOVERNMENT OF THE UNITED KINGDOM
By R. C. LINDSAY,
Ambassador Extraordinary and Plenipotentiary.
THE UNITED STATES OF AMERICA
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT [illegible]

Agreement with Lithuania of June [illegible], 1932, for the postponement of [illegible] during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT made the [illegible] day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Republic of Lithuania, hereinafter called Lithuania, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Lithuania and the United States dated September 22, 1925, [illegible] to the United States during the fiscal year beginning [illegible] June 30, 1932, in respect of the funded indebtedness of Lithuania [illegible] States, the aggregate amount of $224,535.[illegible] [illegible] and

Whereas, the joint resolution of the Congress [illegible] December 23, 1931, authorizes the Secretary of the Treasury [illegible] of the President, to make on behalf of the [illegible] Lithuania on the terms hereinafter set forth [illegible] amount payable by Lithuania to the [illegible] of its funded indebtedness to the United States;

Now, therefore, in consideration of the [illegible] herein contained, it is agreed as follows:

1. Payment of the amount of $224,535.[illegible] [illegible] States during the fiscal year [illegible] 1932 in respect of the funded indebtedness [illegible] to the terms of the agreement of September 22, 1925, [illegible] postponed [illegible] 4 per centum per annum [illegible] United States [illegible] $27,[illegible] annually [illegible] December 15 [illegible] with the fiscal year [illegible] the fiscal year beginning [illegible] 1932 [illegible] dated June 15, 1925, [illegible] 1932 [illegible] of $[illegible] by Lithuania to the United States [illegible]

of September 22, 1924, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of September 22, 1924, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Lithuania provided for in paragraph 4 to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of September 22, 1924, between Lithuania and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Lithuania and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Lithuania and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Lithuania has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE REPUBLIC OF LITHUANIA,
By B. K. BALUTIS,
Envoy Extraordinary and Minister Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 41

Agreement with Belgium, June 10, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 10th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Kingdom of Belgium, hereinafter called Belgium, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Belgium and the United States, dated August 18, 1925, there is payable by Belgium to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Belgium to the United States, the aggregate amount of $7,950,000, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Belgium on the terms hereinafter set forth, to postpone the payment of the amount payable by Belgium to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Belgium hereby gives assurance, to the satisfaction of the President of the United States, of the willingness and readiness of Belgium to make with the Government of each country indebted to Belgium in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Belgium with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $7,950,000, payable by Belgium to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Belgium to the United States, according to the terms of the agreement of August 18, 1925, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Belgium to the United States in 10 equal annuities of $968,907.76 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The two bonds numbered 007, dated June 15, 1925, maturing June 15, 1932, one in the principal amount of $2,900,000 for account of the pre-armistice debt and the other in the principal amount of $1,300,000 for account of the post-armistice debt, delivered by Belgium to the United States under the agreement of August 18, 1925, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of August 18, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal after June 15, 1935, and the option of Belgium provided for in paragraph 5, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of August 18, 1925, between Belgium and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Belgium and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Belgium and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

IN WITNESS WHEREOF, Belgium has caused this agreement to be executed on its behalf by its ambassador extraordinary and plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE KINGDOM OF BELGIUM,
By PAUL MAY,
Ambassador Extraordinary and Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 42

Agreement with Czechoslovakia, June 10, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 10th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Czechoslovak Republic, hereinafter called Czechoslovakia, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Czechoslovakia and the United States, dated October 13, 1925, there is payable by Czechoslovakia to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of Czechoslovakia to the United States, the aggregate principal amount of $3,000,000; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Czechoslovakia on the terms hereinafter set forth, to postpone the payment of the amount payable by Czechoslovakia to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Czechoslovakia hereby gives assurance, to the satisfaction of the President of the United States, of the willingness and readiness of Czechoslovakia to make with the Government of each country indebted to Czechoslovakia in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Czechoslovakia with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $3,000,000, payable by Czechoslovakia to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Czechoslovakia to the United States, according to the terms of the agreement of October 13, 1925, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Czechoslovakia to the United States in 10 equal annuities of $365,625.56 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The bonds numbered 13 and 14, dated June 15, 1925, maturing December 15, 1931 and June 15, 1932, respectively, in the principal amount of $1,500,000 each, required to be delivered by Czechoslovakia to the United States under the agreement of October 13, 1925, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of October 13, 1925, above mentioned. The option of Czechoslovakia provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of October 13, 1925, between Czechoslovakia and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Czechoslovakia and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Czechoslovakia and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In Witness Whereof, Czechoslovakia has caused this agreement to be executed on its behalf by its chargé d'affaires ad interim at Washington, thereunto duly authorized, subject, however, to constitutional ratification, if necessary, in Czechoslovakia, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress, approved December 23, 1931, all on the day and year first above written.

The Czechoslovak Republic,
By Jan Skalicky,
Chargé d'Affaires ad interim.
The United States of America,
By Ogden L. Mills,
Secretary of the Treasury.

Approved:
Herbert Hoover,
President.

EXHIBIT 43

Agreement with France, June 10, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

Agreement, made the 10th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the French Republic, hereinafter called France, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between France and the United States, dated April 29, 1926, there is payable by France to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of France to the United States, the aggregate amount of $50,000,000, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with France on the terms hereinafter set forth, to postpone the payment of the amount payable by France to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, France hereby gives assurance, to the satisfaction of the President of the United States, of the willingness and readiness of France to make with the Government of each country indebted to France in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to France with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $50,000,000, payable by France to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of France to the United States, according to the terms of the agreement of April 29, 1926, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by France to the United States in 10 equal annuities of $6,093,759.44 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The bond numbered 7, dated June 15, 1925, maturing June 15, 1932, in the principal amount of $11,363,500, delivered by France to the United States under the agreement of April 29, 1926, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of April 29, 1926, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of France provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of April 29, 1926, between France and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. France and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of France and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, France has caused this agreement to be executed on its behalf of its ambassador extraordinary and plenipotentiary at Washington, thereunto duly authorized, subject, however, to ratification by France, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant

to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE FRENCH REPUBLIC,
By CLAUDEL,
Ambassador Extraordinary and Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 44

Agreement with Poland, June 10, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 10th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Republic of Poland, hereinafter called Poland, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Poland and the United States, dated November 14, 1924, there is payable by Poland to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Poland to the United States, the aggregate amount of $7,486,835, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Poland on the terms hereinafter set forth, to postpone the payment of the amount payable by Poland to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Poland hereby gives assurance to the satisfaction of the President of the United States, of the willingness and readiness of Poland to make with the Government of each country indebted to Poland in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Poland with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $7,486,835, payable by Poland to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Poland to the United States, according to the terms of the agreement of November 14, 1924, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Poland to the United States in 10 equal annuities of $912,459.42 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bond numbered 9, dated December 15, 1922, in the principal amount of $1,100,000 and the bond numbered 2A, dated December 15, 1929, in the principal amount of $225,000, both matured December 15, 1931, delivered by Poland to the United States under the agreement of November 14, 1924, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of November 14, 1924, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Poland provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of November 14, 1924, between Poland and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Poland and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Poland and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Poland has caused this agreement to be executed on its behalf by its ambassador extraordinary and plenipotentiary at Washington, thereunto duly authorized, subject, however, to ratification by Poland, if necessary, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress, approved December 23, 1931, all on the day and year first above written.

THE REPUBLIC OF POLAND,
By TYTUS FILIPOWICZ,
Ambassador Extraordinary and Plenipotentiary.
THE UNITED STATES OF AMERICA,
By ARTHUR A. BALLANTINE,
Acting Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 45

Agreement with Estonia, June 11, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 11th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Republic of Estonia, hereinafter called Estonia, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Estonia and the United States, dated October 28, 1925, there is payable by Estonia to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Estonia to the United States, the aggregate amount of $600,373.06, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Estonia on the terms hereinafter set forth, to postpone the payment of the amount payable by Estonia to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Estonia hereby gives assurance to the satisfaction of the President of the United States, of the willingness and readiness of Estonia to make with the Government of each country indebted to Estonia in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Estonia with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $600,373.06, payable by Estonia to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Estonia to the United States, according to the terms of the agreement of October 28, 1925, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Estonia to the United States in 10 equal annuities of $73,170.58 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year beginning July 1, 1933, and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bond numbered 9, dated December 15, 1922, in the principal amount of $88,000, and bond numbered 1A, dated December 15, 1930, in the principal amount of $20,012.87, both matured December 15, 1931, delivered by Estonia to the United

States under the agreement of October 28, 1925, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of October 28, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Estonia provided for in paragraph 5, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of October 28, 1925, between Estonia and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Estonia and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Estonia and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Estonia has caused this agreement to be executed on its behalf by its vice consul at New York, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Acting Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE REPUBLIC OF ESTONIA,
By CHARLES KUUSIC,
Vice Consul of Estonia at New York.
THE UNITED STATES OF AMERICA,
By ARTHUR A. BALLANTINE,
Acting Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 46

Agreement with Latvia, June 11, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

AGREEMENT, made the 11th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Republic of Latvia, hereinafter called Latvia, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Latvia and the United States, dated September 24, 1925, there is payable by Latvia to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Latvia to the United States, the aggregate amount of $250,654.16, including principal and interest; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Latvia on the terms hereinafter set forth, to postpone the payment of the amount payable by Latvia to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Latvia hereby gives assurance to the satisfaction of the President of the United States, of the willingness and readiness of Latvia to make with the Government of each country indebted to Latvia in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Latvia with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $250,654.16 payable by Latvia to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of Latvia to the United States, according to the terms of the agreement of September 24, 1925, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Latvia to the United States in 10 equal annuities of $30,548.52 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year beginning July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The bond numbered 9, dated December 15, 1922, in the principal amount of $36,000, and bond numbered 1A, dated December 15, 1930, in the principal amount of $8,664.20, both matured December 15, 1931, delivered by Latvia to the United States under the agreement of September 24, 1925, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of September 24, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Latvia provided for in paragraph 5, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of September 24, 1925, between Latvia and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Latvia and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Latvia and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Latvia has caused this agreement to be executed on its behalf by its consul general in New York, thereunto duly authorized, subject, however, to ratification, if necessary, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE REPUBLIC OF LATVIA,
By ARTHUR B. LULE,
Consul General of Latvia in New York.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

EXHIBIT 47

Agreement with Rumania, June 11, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

Agreement, made the 11th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the Kingdom of Rumania, hereinafter called Rumania, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Rumania and the United States, dated December 4, 1925, there is payable by Rumania to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Rumania to the United States, the principal amount of $800,000; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Rumania on the terms hereinafter set forth, to postpone the payment of the amount payable by Rumania to the United States during such year in respect of its bonded indebtedness to the United States; and

Whereas, Rumania hereby gives assurance to the satisfaction of the President of the United States, of the willingness and readiness of Rumania to make with the Government of each country indebted to Rumania in respect of war, relief, or reparation debts, an agreement in respect of the payment of the amount or amounts payable to Rumania with respect to such debt or debts during such fiscal year, substantially similar to this agreement authorized by the joint resolution above mentioned;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of \$800,000, payable by Rumania to the United States during the fiscal year beginning July 1, 1931, and ending June 30, 1932, in respect of the bonded indebtedness of Rumania to the United States, according to the terms of the agreement of December 4, 1925, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Rumania to the United States in 10 equal annuities of \$97,500.16 each, payable in 20 equal installments, the first to be paid on January 2, 1934, the second on June 15, 1934, and the remainder to be paid successively on December 15 and June 15 of each fiscal year beginning with the fiscal year beginning July 1, 1934, and ending June 30, 1935, and concluding with the fiscal year beginning July 1, 1942, and ending June 30, 1943. The bond numbered 7 dated June 15, 1925, and maturing June 15, 1932, in the principal amount of \$800,000 delivered by Rumania to the United States under the agreement of December 4, 1925, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of December 4, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, after June 15, 1939 and the option of Rumania provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of December 4, 1925, between Rumania and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Rumania and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Rumania and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Rumania has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE KINGDOM OF RUMANIA,
By DAVILA,
Envoy Extraordinary and Minister Plenipotentiary.

THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

Approved:
HERBERT HOOVER,
President.

Exhibit 48

Statement by Secretary of the Treasury Mills announcing the postponement for two and one-half years of payment of a bond of the Greek Government due July 1, 1932 (press release, July 1, 1932)

The Greek Government has advised the Treasury that because of recent developments in that country, it has taken advantage of the option granted in paragraph 2 of Part I of the debt funding agreement of May 10, 1929, by postponing for a period of two and one-half years from July 1, 1932, the payment of the bond in the principal amount of $130,000 due that day. In accordance with the terms of the agreement, the amount of the payment so postponed will bear interest at the rate of 4¼ per cent per annum, payable semiannually.

Exhibit 49

Agreement with Austria, September 14, 1932, for the postponement of the payments due during the fiscal year 1932 on account of its indebtedness to the United States

Agreement, made the 14th day of September, 1932, at the City of Washington, District of Columbia, between the Federal Government of the Republic of Austria, hereinafter called Austria, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas, under the terms of the debt funding agreement between Austria and the United States, dated May 8, 1930, there was payable by Austria to the United States during the fiscal year beginning July 1, 1931, and ended June 30, 1932, in respect of the bonded indebtedness of Austria to the United States, the principal amount of $287,556; and

Whereas, a joint resolution of the Congress of the United States, approved December 23, 1931, authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Austria on the terms hereinafter set forth, to postpone the payment of the amount payable by Austria to the United States during such year in respect of its bonded indebtedness to the United States;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of $287,556, payable by Austria to the United States during the fiscal year beginning July 1, 1931 and ended June 30, 1932, in respect of the bonded indebtedness of Austria to the United States, according to the terms of the agreement of May 8, 1930, above mentioned, is hereby postponed so that such amount, together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Austria to the United States in 10 equal annuities of $34,767.23 each, payable in equal annual installments on January 1 of each year beginning January 1, 1934, and concluding January 1, 1943. The bond numbered 4 dated January 1, 1928, and matured January 1, 1932, in the principal amount of $287,556, delivered by Austria to the United States under the agreement of May 8, 1930, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of May 8, 1930, above mentioned. The option of Austria provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreement of May 8, 1930, between Austria and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Austria and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Austria and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Austria has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a joint resolution of Congress approved December 23, 1931, all on the day and year first above written.

THE REPUBLIC OF AUSTRIA,
By EDGAR PROCHNIK,
Envoy Extraordinary and Minister Plenipotentiary.
THE UNITED STATES OF AMERICA,
By OGDEN L. MILLS,
Secretary of the Treasury.

APPROVED:
HERBERT HOOVER,
President.

EXHIBIT 50

Statement by Secretary of the Treasury Mills announcing the postponement of certain payments due December 15, 1932, on account of the indebtedness of Estonia, Latvia, and Poland (press release, September 15, 1932)

The following governments have advised the Treasury that they will take advantage of the options granted to them in the respective debt funding agreements by postponing for a period of two years from December 15, 1932, the payment of the principal of the bonds first issued under the funding agreements due on that date:

Estonia	$90,000
Latvia	37,000
Poland	1,125,000

In accordance with the terms of the agreement, the amount of the payments so postponed will bear interest at the rate of 3½ per cent per annum, payable semiannually.

EXHIBIT 51

Statement by Secretary of the Treasury Mills announcing the postponement of payments due from Germany on September 30, 1932, on account of mixed claims and army costs (press release, September 28, 1932)

Paragraph 5 of the debt funding agreement dated June 23, 1930, between Germany and the United States, requires in connection with the postponement of the payment of any installment "not less than 90 days' advance notice in writing," and paragraph 8 provides that "the United States in its discretion may waive any notice required hereunder."

Accordingly, as to the September 30 payment, a 90-day notice would have been given by Germany on or before July 2, 1932. On June 30, 1932, the German ambassador stated to the Secretary of the Treasury that the German Government desired to make the payments due September 30, 1932, to the United States on account of the mixed claims and army costs, but that in view of exigencies which might arise making it impossible for the German Government to pay, he would be obliged to give notice of postponment then and there, unless he could have some assurance from the Secretary of the Treasury that the 90-day notice would be waived if the German Government should find it impossible to make the payment.

In order to prevent such a premature decision and in the hope that postponement would not prove to be necessary, the Secretary advised the ambassador that if Germany delayed its decision, the 90-day notice would later be waived if the German Government should decide before September 30 that it must give notice of postponement.

Such notice of postponement, as provided in the original debt agreement, has now been received, and the Secretary of the Treasury has waived the 90-day notice in accordance with his assurance to the German ambassador.

MIXED CLAIMS

EXHIBIT 52

Regulations No. 8.—Payments to Austrian Nationals on account of awards of the War Claims Arbiter in respect of patents (Department Circular No. 449)

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., December 2, 1931.

Pursuant to the provisions of the settlement of war claims act of 1928, approved March 10, 1928, as amended, the following regulations governing payments under section 6 (f) of such act on account of awards of the War Claims Arbiter in respect of patents certified under the provisions of section 6 (e) of such act, are hereby prescribed:

EXECUTION OF APPLICATION FOR PAYMENT

1. (*a*) *Signed application required.*—No payment of the amount payable under section 6 (f) of the settlement of war claims act of 1928, as amended, on account of an award certified under the provisions of section 6 (e) of such act will be made unless an application therefor, on and in accordance with the form prescribed for the purpose, has been received by the Secretary of the Treasury before the expiration of two years from the date the award is certified. The application should be signed in duplicate and both copies forwarded to the clearing office in Vienna. The application must be executed by each person on behalf of whom the award was made. Each such person must sign the application before a United States diplomatic or consular officer, or have his signature certified by an Austrian notary; but if certified by an Austrian notary, the official character and jurisdiction of the notary should be certified by a United States diplomatic or consular officer. However, where the amount of the award is $1,000 or less, the application may be executed before an officer authorized to certify to signatures of those receiving pensions under Austrian law, provided his authority is attested by the clearing office in Vienna.

If the application is executed by a legal representative or by any person other than the person on behalf of whom the award was made, there must be submitted with the application evidence sufficient to prove the authority of the applicant and his interest in the award. The character of evidence required generally is indicated below in subsections (*b*), (*c*), and (*d*), but all copies of, or extracts from, court orders, documents, and records in Austria required by such subsections must be properly authenticated by a United States diplomatic or consular officer, and, if written in any other language, must be accompanied by accurate translations thereof into English and by a certificate of the person making such translations that they are correct and complete.

(*b*) *Partnerships, associations, and corporations.*—In the case of a partnership, association, or corporation, the application must be signed and verified by the person or persons having authority to do so, as evidenced in the Commercial Register, a certified extract from which must be attached to the application. If the existence of the partnership, association, or corporation has been terminated, the application should also be accompanied by such other documents as may be sufficient to prove the authority and interest of the applicant. The extract from the Commercial Register will not be required if a clerk of court in Austria will certify, under seal, on the application after its execution that the person or persons signing the application are the persons having authority to so act for the partnership, association, or corporation, but the official character and jurisdiction of such clerk of court must be certified by a United States diplomatic or consular officer.

(*c*) *Receivers and trustees.*—If a receiver or trustee for a person on behalf of whom the award was made has been duly appointed by a court in the United States or Austria, the application must be executed by such receiver or trustee, or by a person duly authorized by an order of the court, except that in the case of an assignment by any such receiver or trustee, an application for payment of the amount due under such assignment must be made by the assignee. If the application is executed by such receiver or trustee, a copy of the order of court appointing such receiver or trustee, and a certificate of the clerk of such court to the effect that such receiver or trustee has not been discharged, should be furnished. If the application is executed by a person other than such receiver or trustee, a copy of the order of the court appointing such receiver or trustee, if one has been appointed, and of all orders of court and documents necessary to prove the authority and interest of the applicant, will be required.

(*d*) *Persons deceased or under legal disability.*—If any person who should execute the application is deceased or is under legal disability, the application must be executed by his duly constituted legal representative, and should be accompanied by a copy of the will, letters of appointment, or other instrument under which such representative purports to act, duly certified or authenticated under the hands and official seals of the proper officers of the country of which the decedent was a resident, or the person under legal disability resides.

(*e*) Claimants residing outside of Austria may execute their applications before officers similar to those specified in paragraph 1 (*a*) in the country wherein they reside, and complying as nearly as possible with paragraph 1 (*a*) of these regulations; except that their applications should be forwarded to the legation at Washington, D. C., through which they were received.

PAYMENTS

2. Payments will be made by checks drawn by the Secretary of the Treasury on the Treasurer of the United States against the Austrian special deposit account created by such act, to the order of the person entitled thereto. Checks will be delivered to the legation at Washington through which the application was transmitted with a statement of account in each case, for transmission to the claimants.

ATTORNEYS' FEES

3. Attention is invited to the fact that provision has been made in section 9 of the settlement of war claims act of 1928 for the fixing of reasonable fees for services performed in connection with the proceedings before the War Claims Arbiter.

POWERS OF ATTORNEY

4. In view of the provisions of the act to the effect that payments shall, except in certain specified cases, be made only to the person on behalf of whom the award was made, no power of attorney to sign an application or to receive payment will be recognized, except that in any case where the applicant wishes the legation at Washington through which the application is transmitted to indorse and collect the proceeds of the check for account of the applicant, a special power of attorney authorizing such legation to so collect the proceeds of the check will be recognized. Such power of attorney must be executed in duplicate on the form provided for that purpose and forwarded to such legation with the application.

ASSIGNMENTS

5. Under no circumstances will an assignment be recognized, other than an assignment by a receiver or trustee.

GENERAL PROVISIONS

6. Additional information or evidence may be required from time to time from any person applying for payment hereunder. The Secretary of the Treasury reserves the right to amend these regulations from time to time.

A. W. Mellon,
Secretary of the Treasury.

[Application form No. 5 (Arbiter) is omitted.]

Exhibit 53

Joint resolution extending for one year the time within which American claimants may make application for payment, under the settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission

[PUBLIC RESOLUTION—NO. 27—72D CONGRESS—S. J. RES. 97]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 2 and subsection (f) of section 5 of the settlement of war claims act of 1928, as amended by Public Resolution Numbered 48, Seventy-first Congress, approved March 10, 1930, are further amended, respectively, by striking out the words "four years" wherever such words appear therein and inserting in lieu thereof the words "five years."

Approved, June 14, 1932.

Exhibit 54

Statistical summary of the work of the War Claims Arbiter, prepared at the expiration of that office on December 15, 1931 (accompanying letter to the Secretary of the Treasury, December 15, 1931)

Upon the expiration on August 2, 1928, of the time limit for filing claims with the arbiter, the docket included 1,180 cases. Comprised in these 1,180 cases were 105 claims for the value of ships, 5 claims for the value of personal property contained in ships, 1 claim on account of a radio station, and 1,069 claims, involving approximately 6,000 patents, 108 applications for patents, and 454 trade-marks. Under the first arbiter, who took office on April 3, 1928, there were dismissed on jurisdictional grounds 11 claims for the value of ships and 165 patent and trade-mark cases, and awards were entered under section 6 in two patent cases totaling $3,100 as the basic amount for the two cases, which, with interest from July 2, 1921, to December 31, 1928, both dates inclusive, as provided by the act, amounted to $4,262.72.

Therefore, when the present arbiter took office on January 13, 1930, there were pending 1,004 cases which included 94 claims for the value of ships, 5 claims (one of which was subsequently dismissed) on account of personal property contained in ships, 1 claim for a radio station, and 904 patent claims, involving approximately 5,000 patents and 100 applications for patents. Of the 904 patent claims, 423 were dismissed by the present arbiter and awards entered in 481 patent claims as hereinafter described.

The arbiter awarded, as the value, under the act, of the 94 ships, $74,243,000, of which $53,994,909.09 was the basic amount and $20,248,090.91 was the interest under the act. One of the five claims for the value of personal property contained in ships was dismissed on jurisdictional grounds and awards were entered in the four remaining cases amounting to $9,933, of which $7,224 was the basic amount, and $2,709 was the interest under the act. The grand total of the awards in favor of German nationals under section 3 of the act on account of the 94 ships and the 4 claims for personal property in ships amounted to $74,252,933, of which $54,002,133.09 represented the basic amount, and $20,250,799.91 constituted the interest under the act.

Awards in favor of German nationals were entered by the present arbiter pursuant to section 3 in 313 cases involving 3,788 patents, 34 applications for patents, and 1 radio station, in the basic amount of $9,079,830, with interest of $3,405,557.83, making a total of $12,485,387.83. The sum total of awards to German nationals under section 3 on account of ships, patents, and 1 radio station is $86,738,320.83 including interest, which falls short of the $100,000,000 maximum appropriation authorized by Congress under section 3 by $13,261,679.17.

Under section 6 awards were made in favor of Austrian nationals in 138 dockets, involving 194 patents, in the basic amount of $663,740, with interest amounting to $248,947.94, making a total including interest of $912,687.94. Awards were entered under section 6 in favor of Hungarian nationals in 31 dockets, involving 30 patents, in the basic amount of $39,125, with interest amounting to $14,674.56, making a total including interest of $53,799.56. The amounts of awards mentioned in the two preceding sentences include the two cases in which awards were made under section 6 by the first arbiter. One of said cases involving two patents resulted in a basic award in favor of an Austrian national in the sum of $3,000, with interest amounting to $1,125.21, making a total including interest of $4,125.21. The other case involving one patent resulted in a basic award in favor of an Hungarian national in the sum of $100, with interest amounting to $37.51, making a total including interest of $137.51. The total amount including interest awarded under section 6 in favor of Austrian and Hungarian nationals is $966,487.50, which falls short by $33,512.50 of the maximum appropriation of $1,000,000 authorized by Congress.

The expenditures made by the War Claims Arbiter from the beginning of the arbitration on April 3, 1928, to its close on December 15, 1931, amounted to $136,862 (last half-month estimated). Pursuant to the allocation required by subsection (i) of section 6 of the act the arbiter decided that 83 per cent of this amount should be borne by the German special deposit account, 16 per cent by the Austrian special deposit account, and 1 per cent by the Hungarian special deposit account.

James W. Remick, *War Claims Arbiter.*

Final memorandum of the War Claims Arbiter

The first arbiter entered upon the duties of his office on April 3, 1928, and died on October 30, 1929. The present arbiter took the oath of office on January 13, 1930, and at the first meeting, January 21, 1930, made the following statement:

"Having been commissioned as War Claims Arbiter to succeed the late Edwin B. Parker, desiring to worthily finish the work so ably and impartially begun by him and feeling my dependence upon counsel for an intelligent understanding of the problems to be met and solved, I, at once, after taking the oath of office, invited counsel for claimants and counsel for the Government of the United States to come here to-day to advise me in their own way as to what has already transpired in the proceedings before the arbiter, as to their ideas of the present state of the work, and to hear any suggestions they may have to offer as to further procedure.

"I hope you realize with what a deep sense of responsibility and humility I undertake the work where it was laid down by my distinguished predecessor. Be that as it may, the fact is that the task is so stupendous and the responsibility so great that I would not have ventured to undertake it but for the assurance that I would have the same hearty cooperation and assistance from counsel which was so freely given to Judge Parker.

"I am admonished that as arbiter under the settlement of war claims act I must denationalize myself and sit as an impartial judge between the Government of the United States and the nationals of Germany, Austria, and Hungary. If I know myself, there is nothing in my heart or nature to make this difficult.

"In that spirit of justice which actuated the Congress of the United States to provide for compensation for the property which the United States seized as a war measure from the nationals of Germany, Austria, and Hungary, I shall undertake as arbiter to be absolutely impartial and to give to the humblest petitioner the same consideration as to the strongest claimants.

"It is my ambition and purpose that this arbitration shall be conducted to a conclusion in such a spirit and on such a plane as will promote arbitration as a means of settling differences between governments or between governments and nationals of other countries, and make for world peace. I trust that when this arbitration shall have been completed it will have been carried on in such a way as to deserve to be cited as an example in thoroughness, expedition, and impartiality. In order to realize these objectives I call upon counsel for the cooperation and assistance which I have every assurance they are anxious to give and without which the objectives stated could not be realized."

No one, in any position, ever had better cooperation than the present arbiter has received in response to the foregoing appeal. As a result the two awards just rendered dispose of the last of the 1,001 cases pending when he took office, less than two years ago. (A brief summary of the disposition of these 1,001 cases is appended hereto.) If the quality of the result does not match the speed with which it has been accomplished, the fault lies with the present arbiter, and not with his predecessor, or the attorneys, experts, and others who have cooperated with him. How well the quality of the result compares with the ideals and hopes expressed in the present arbiter's opening statement is for others to judge.

The task has been stupendous, the money and interests at stake enormous, and the questions involved in the highest degree novel and difficult. If the conflict of interests and the zeal of every one to do his duty have at times disturbed the serenity of our relations they certainly have not broken the continuity of our confidence and respect.

After all, the arbiter is going back to the congenial retirement from which he was drafted, assured that everyone who has been connected with the arbitration has faithfully performed his duty, and he is carrying with him the deepest appreciation, the kindliest feelings, and the pleasantest recollections toward all who have cooperated with him.

Done at Washington, December 15, 1931.

James W. Remick,
War Claims Arbiter.

Summary of disposition of the 1,004 cases pending when present arbiter took office on January 13, 1930

DISMISSED: 421 cases.

AWARDS (in 580 cases, embracing 94 ships; 4 claims for personal property in ships; 1 radio station; 4,015 patents; and 34 applications for patents).

		Without interest	*With interest*
German		$63,081,963.09	$86,738,320.83
Austrian (including award in 1 case by first arbiter amounting to $4,125,21, including interest)		663,740.00	912,687.94
Hungarian (including award in 1 case by first arbiter amounting to $137.51, including interest)		39,125.00	53,799.56
Total		63,784,828.09	87,704,808.33
Congress appropriated to cover German awards not exceeding		100,000,000.00	
Less awards		86,738,320.83	
Balance		13,261,679.17	
Congress appropriated to cover Austrian and Hungarian awards not exceeding		1,000,000.00	
Awards (Austrian)	$912,687.94		
Awards (Hungarian)	53,799.56		
Total		966,487.50	
Balance		33,512.50	
Total expenses of arbitration from beginning, Apr. 3, 1928, to Dec. 15, 1931 (last half-month estimated)		136,862.00	

	Per cent
Apportioned to German special deposit account	83
Apportioned to Austrian special deposit account	16
Apportioned to Hungarian special deposit account	1

FEDERAL FARM LOAN SYSTEM

Exhibit 55

An act to amend the Federal farm loan act, as amended, to provide for additional capital for Federal land banks, and for other purposes

[PUBLIC—NO. 3—72D CONGRESS—H. R. 6172]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 691–697), is amended by inserting after the word "subscribed" in the sixth paragraph thereof the words "by national farm-loan associations, by borrowers through agencies, and by borrowers through branch banks."

Sec. 2. Section 5 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 691–697), is further amended by adding at the end thereof a new paragraph as follows:

"It shall be the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Federal Farm Loan Board, to subscribe from time to time for capital stock of such bank in an amount or amounts specified in such approval or approvals, such subscriptions to be subject to call in whole or in part by the board of directors of said bank upon thirty days' notice, with the approval of the Federal Farm Loan Board. The Secretary of the Treasury is hereby authorized and directed to take out and pay for shares having an aggregate par value equal to the amounts so called; and to enable the Secretary of the Treasury to pay for stock issued hereunder, there is hereby authorized to be appropriated the sum of $125,000,000, such stock to be nonvoting. Shares of stock issued pursuant to this paragraph shall be paid off at par and retired in the same manner as the original capital stock of said bank after said original stock outstanding, if any, has been paid off and retired: *Provided, however,* That stock issued pursuant to this paragraph may at any time, in the discretion of the directors and with the approval of the Federal Farm Loan Board, be paid off at par and retired in whole or in part; and that said board may at any time require such stock to be paid off at par and retired in whole or in part if in the opinion of the board the bank has resources available therefor. The proceeds of all repayments on account of stock issued pursuant to this paragraph shall be held in the Treasury of the United States and shall be available for the purpose of paying for other stock thereafter issued pursuant to this paragraph."

SEC. 3 (a). Section 23 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 901, 902), is amended, effective July 1, 1932, by adding at the end thereof a new paragraph as follows:

"Every Federal land bank shall semiannually carry to reserve account a sum not less than 50 per centum of its net earnings until said reserve account shall show a credit balance equal to the outstanding capital stock of said land bank. After said reserve is equal to the outstanding capital stock, 10 per centum of the net earnings shall be added thereto semiannually. Whenever said reserve shall have been impaired, it shall be fully restored before any dividends are paid. After deducting the 50 per centum or the 10 per centum herein directed to be deducted for credit to reserve account, any Federal land bank may declare a dividend or dividends to shareholders of the whole or any part of the balance of its net earnings, but only with the approval of the Federal Farm Loan Board. In the case of Federal land banks the requirements of this paragraph shall be in lieu of the requirements of the first three sentences of the first paragraph of this section and in lieu of the requirements of the first sentence of the second paragraph of this section."

(b) Section 23 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 901, 902), is further amended by inserting after the word "earnings" and before the period in the first sentence of the second paragraph thereof a colon and the following: "*Provided*, That any dividend or dividends declared by any joint stock land bank shall be subject to the approval of the Federal Farm Loan Board."

SEC. 4. The first three paragraphs of section 24 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, secs. 911–913), are amended, effective July 1, 1932, to read as follows:

"That every national farm-loan association shall, out of its net earnings, semiannually carry to reserve account a sum not less than 10 per centum of such net earnings until said reserve account shall show a credit balance equal to 25 per centum of the outstanding capital stock of said association. After said reserve has reached the sum of 25 per centum of the outstanding capital stock, 5 per centum of the net earnings shall be semiannually added thereto.

"Whenever said reserve shall have been impaired, it shall be fully restored before any dividends are paid.

"After deducting the 10 per centum or the 5 per centum hereinbefore directed to be credited to reserve account, said association may at its discretion declare a dividend to shareholders of the whole or any part of the balance of said net earnings."

SEC. 5. Section 13 of the Federal farm loan act, as amended (U. S. C., title 12, ch. 7, sec. 781), is amended by adding at the end thereof a new paragraph to read as follows:

"Tenth. When in the judgment of the directors conditions justify it, to extend, in whole or in part, any obligation that may be or become unpaid under the terms of any mortgage and to accept payment of any such obligation during a period of five years or less from the date of such extension in such amounts as may be agreed upon at the date of making such extension. The sum of $25,000,000 of the amount authorized to be appropriated under section 5 of this act, as amended, shall be used exclusively for the purpose of supplying any bank with funds to use in its operations in place of any amounts of which such bank may be deprived by reason of extensions made as provided in this paragraph."

SEC. 6. The Federal Farm Loan Board is authorized to make such rules and regulations, not inconsistent with law, as it deems necessary or requisite for the efficient execution of the provisions of the Federal farm loan act, and/or any act or acts amendatory thereof or supplementary thereto.

Approved, January 23, 1932.

EXHIBIT 56

Joint resolution making an appropriation to enable the Secretary of the Treasury to pay for subscriptions to the capital stock of Federal land banks

[PUBLIC RESOLUTION—NO. 9—72D CONGRESS—H. J. RES. 261]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $125,000,000, to remain available until expended, to enable the Secretary of the Treasury to

pay for subscriptions to the capital stock of Federal land banks in accordance with the provisions of section 2 of the act entitled "An act to amend the Federal farm loan act, as amended, to provide for additional capital for Federal land banks, and for other purposes," approved January 23, 1932: *Provided*, That any proceeds of repayments on account of stock so issued shall be credited to this appropriation and be available for the purpose of paying for other stock thereafter issued pursuant to such act.

Approved, February 2, 1932.

Exhibit 57

An act to amend Title II of the Federal farm loan act in regard to Federal intermediate credit banks, and for other purposes

[PUBLIC—NO. 138—72D CONGRESS—S. 2409]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 (a) of Title II of the Federal farm loan act, as amended (U. S. C., title 12, ch. 8, sec. 1031), is hereby amended by substituting a semicolon for the period at the end of clause (3) and adding thereto the following new matter: "and to accept drafts or bills of exchange issued or drawn by any such association when secured by warehouse receipts and/or shipping documents covering staple agricultural products as herein provided."

Sec. 2. Section 205 of Title II of the Federal farm loan act, as amended (U. S. C., title 12, ch. 8, sec. 1061), is hereby amended by adding at the end thereof the following new matter: "In the event that there shall be an impairment of the paid-in capital of any Federal intermediate credit bank, the Farm Loan Board, at such time or times as it deems advisable, may determine and assess the amount thereof against the other Federal intermediate credit banks on such equitable basis of apportionment as it shall prescribe. Each bank against which such an assessment is made shall, out of its surplus and/or to an extent up to 50 per centum of its net earnings, in accordance with the terms of such assessment, pay the amount thereof as soon as possible to the bank having the impairment. In such event payments into the surplus fund and payments of the franchise tax prescribed by this chapter shall be determined on the basis of the net earnings remaining after providing for the payment of any such assessment."

Sec. 3. Section 206 (b) of Title II of the Federal farm loan act, as amended (U. S. C., title 12, ch. 8, sec. 1072), is hereby amended (effective January 1, 1932) by striking out the first two sentences of said section and substituting therefor the following new matter: "After all necessary expenses of a Federal intermediate credit bank have been paid or provided for, the net earnings shall be paid into a surplus fund until it shall amount to 100 per centum of the subscribed capital stock of such bank, and thereafter 50 per centum of such earnings shall be paid into the surplus. Whenever the surplus thus paid in shall have been impaired it shall be fully restored before payment of the franchise tax herein prescribed. After the aforesaid requirements of this section have been fully met and, except as otherwise provided in this act, 50 per centum of the net earnings shall be paid to the United States as a franchise tax."

Sec. 4. Section 207 of Title II of the Federal farm loan act, as amended (U. S. C., title 12, ch. 8, sec. 1081), is hereby amended by striking out the period at the end thereof and substituting a colon together with a proviso as follows: "*Provided*, That in view of the liability of all Federal intermediate credit banks for the debentures and other such obligations of each bank under this act, the banks shall, in accordance with rules, regulations, and orders of the Federal Farm Loan Board, enter in to adequate agreements and arrangements among themselves by which funds shall be transferred and/or made available from time to time for the payment of all such debentures and other such obligations and the interest thereon when due in accordance with the terms thereof."

Sec. 5. The second paragraph of section 13 (a) of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 349), is hereby amended by adding thereto a new sentence as follows: "Any Federal reserve bank may also, subject to regulations and limitations to be prescribed by the Federal Reserve Board, discount notes payable to and bearing the indorsement of any Federal intermediate credit bank, covering loans or advances made by such bank pursuant to the provisions of section 202 (a) of Title II of the Federal farm loan act,

as amended (U. S. C., title 12, ch. 8, sec. 1031), which have maturities at the time of discount of not more than nine months, exclusive of days of grace, and which are secured by notes, drafts, or bills of exchange eligible for rediscount by Federal reserve banks."

SEC. 6. The seventh paragraph of section 13 of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 347), is hereby amended by changing the period at the end thereof to a comma and adding thereto the words "or by the deposit or pledge of debentures or other such obligations of Federal intermediate credit banks which are eligible for purchase by Federal reserve banks under section 13 (a) of this act."

Approved, May 19, 1932.

CIRCULATION PRIVILEGE OF UNITED STATES BONDS

EXHIBIT 58

Section 29 of the Federal home loan bank act (Public No. 304, 72d Congress, approved July 22, 1932) extending the circulation privilege to all United States bonds bearing interest at not exceeding 3⅜ per cent

SEC. 29. That notwithstanding any provisions of law prohibiting bonds of the United States from bearing the circulation privilege, for a period of three years from the date of enactment of this act all outstanding bonds of the United States heretofore issued or issued during such period, bearing interest at a rate not exceeding 3⅜ per centum per annum, shall be receivable by the Treasurer of the United States as security for the issuance of circulating notes to national banking associations, and upon the deposit with the Treasurer of the United States by a national banking association of any such bonds, such association shall be entitled to receive circulating notes in the same manner and to the same extent and subject to the same conditions and limitations now provided by law in the case of 2 per centum gold bonds of the United States bearing the circulation privilege; except that the limitation contained in section 9 of the act of July 12, 1882, as amended, with respect to the amount of lawful money which may be deposited with the Treasurer of the United States by national banking associations for the purpose of withdrawing bonds held as security for their circulating notes, shall not apply to the bonds of the United States to which the circulation privilege is extended by this section and which are held as security for such notes. Nothing contained in this section shall be construed to modify, amend, or repeal any law relating to bonds of the United States which now bear the circulation privilege.

As used in this section, the word "bonds" shall not include notes, certificates, or bills issued by the United States.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

EXHIBIT 59

Opinion of the Attorney General relating to the circulation privilege granted certain United States bonds under section 29 of the Federal home loan bank act of July 22, 1932 (press release, August 13, 1932)

AUGUST 12, 1932.

MY DEAR MR. SECRETARY: I have the honor to refer to your letter of July 28, 1932, requesting my opinion (1) as to whether the Treasurer of the United States shall collect one-half of 1 per centum or one-fourth of 1 per centum each half year upon the circulating notes issued under section 29 of the Federal home loan bank act of July 22, 1932 (Public No. 304, 72d Congress, 1st sess.), and (2) whether section 29 requires bonds deposited with the Treasurer of the United States thereunder as security for the issuance of circulating notes to be withdrawn as such security at the expiration of three years from the date of the act.

Section 29, *supra*, provides:

> That notwithstanding any provisions of law prohibiting bonds of the United States from bearing the circulation privilege, for a period of three years from the date of enactment of this act all outstanding bonds of the United States heretofore issued or issued during such period, bearing interest at a rate not exceeding 3⅜ per centum per annum, shall be

receivable by the Treasurer of the United States as security for the issuance of circulating notes to national banking associations, and upon the deposit with the Treasurer of the United States by a national banking association of any such bonds, such association shall be entitled to receive circulating notes in the same manner and to the same extent and subject to the same conditions and limitations now provided by law in the case of 2 per centum gold bonds of the United States bearing the circulation privilege; except that the limitation contained in section 9 of the act of July 12, 1882, as amended, with respect to the amount of lawful money which may be deposited with the Treasurer of the United States by national banking associations for the purpose of withdrawing bonds held as security for their circulating notes, shall not apply to the bonds of the United States to which the circulation privilege is extended by this section and which are held as security for such notes. Nothing contained in this section shall be construed to modify, amend, or repeal any law relating to bonds of the United States which now bear the circulation privilege.

This statute provides for the issuance of circulating notes to national banking associations, and, with an exception not material to your first question, requires that such notes shall be issued in accordance with and subject to the conditions under which are issued circulating notes secured by 2 per centum gold bonds of the United States. One of the conditions under which the latter notes are issued is that prescribed by section 13 of the act of March 14, 1900, c. 41, 31 Stat. 45, 49 (U. S. C., title 12, sec. 542), as follows:

> That every national banking association having on deposit, as provided by law, bonds of the United States bearing interest at the rate of two per centum per annum, issued under the provisions of this act, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

Section 13 of the act of March 14, 1900, just quoted, reduced the tax imposed by section 5214 of the Revised Statutes on the average amount of notes which each national banking association has in circulation secured by 2 per centum gold bonds of the United States from one-half of 1 per centum to one-fourth of 1 per centum semiannually. Since section 29 of the Federal home loan bank act provides that, with an exception not material here, the notes issued pursuant to that statute are to be issued upon the same conditions as are provided by law in the case of 2 per centum gold bonds of the United States bearing the circulation privilege, and since it is clear that the tax upon notes based upon the deposit of said 2 per centum bonds is now one-fourth of 1 per centum semiannually, it seems entirely clear that this is the rate of tax applicable to notes issued pursuant to the provisions of the Federal home loan bank act. While the provisions of section 29 which bear upon this question are so clear that resort to the legislative history as an aid to construction seems to be unnecessary, I have examined the legislative history, and while there is very little material which bears upon this particular question, such as there is clearly supports my construction of the statute. (See Congressional Record, vol. 75, No. 169, p. 15380, 72d Cong., 1st sess.)

Your second question involves particularly the construction of the following portion of section 29 of the Federal home loan bank act:

> * * * for a period of three years from the date of enactment of this act all outstanding bonds of the United States heretofore issued or issued during such period, bearing interest at a rate not exceeding 3⅜ per centum per annum, shall be receivable by the Treasurer of the United States as security for the issuance of circulating notes to national banking associations, and upon the deposit with the Treasurer of the United States by a national banking association of any of such bonds, such association shall be entitled to receive circulating notes * * *.

The provision which excepts the bonds of the United States "to which the circulation privilege is extended by this section and which are held as security for such notes" from the limitations contained in section 9 of the act of July 12, 1882, as amended, with respect to the amount of lawful money which may be deposited with the Treasurer for the purpose of withdrawing bonds held as security for

their circulating notes must also be considered in connection with your second question.

The problem presented appears to me to be whether the provisions of section 29 require that the circulation privilege of bonds deposited pursuant to that section shall cease three years after the date of the enactment of the act or whether the act merely means that after three years no more of such bonds may be deposited and accorded the circulation privilege without, however, affecting the circulating privilege of bonds deposited within the 3-year period, leaving such circulation privilege outstanding during the entire remaining life of the bonds deposited. The effect of the first construction is, of course, to permit a temporary expansion of the currency which is to terminate at the end of three years, while the effect of the latter construction would be to effect an expansion of the currency which would be permanent during the life of the bonds to which the circulation privilege was accorded.

It must be admitted that the language of the statute is not entirely free from ambiguity, and, in order to determine the intent of Congress and construe the language of the statute so as to effectuate that intent, it seems to me proper and necessary to resort to the legislative history of this provision. The only committee report which deals with the section is the report of the Conference Committee, in which the following statement is made by the managers on the part of the House with respect to the provisions of section 29 (H. Rept. No. 1775, 72d Cong., 1st sess.):

> Amendment No. 46: This amendment authorizes United States bonds bearing interest at a rate not in excess of 3⅜ per cent to bear the circulating privilege for a period of three years after the enactment of this act. * * *

A careful examination of the debates in the Senate and House dealing with this provision has also been made. Several statements in the course of such debates by those who may be regarded as sponsors of this legislation and others throw light on the intention of Congress. The provision for the extension of the circulation privilege to the bonds mentioned in section 29 is referred to as not a "permanent proposition," as "a temporary expedient," as "a sound way of expanding the currency to meet the exigencies of this particular time," as "a temporary arrangement." It is said that the provision "expires by limitation of law." It is also said that "The whole thing terminates at the end of five years * * *." (Changed later to three years in the provision as passed.) (For the foregoing, see Congressional Record, vol. 75, No. 168, p. 15301, 72d Cong., 1st sess.)

Reference is also made to the 3-year provision by a member of the House Banking and Currency Committee, who was also one of the House conferees on the bill, as follows (Congressional Record, vol. 75, No. 175, p. 16113, 72d Cong., 1st sess.): "* * * Suppose they issue $900,000,000 of national bank notes under this provision. It is for three years. At the end of three years what will happen? You will find an inflation up to that time, and at the end of three years it has got to end, and they have got to be called in, and the contraction of a billion dollars, in round numbers, in the currency in this country in 1935 will be upon us, * * *."

A Member of the House, speaking against the bill, and referring to the circulation privilege afforded to certain bonds by its provisions, said (Congressional Record, vol. 75, No. 175, p. 16111, 72d Cong., 1st sess.): "* * * they would lose their circulation privilege automatically in three years, and thus all circulation would be retired * * *." I find nothing in the legislative history which indicates that it was the purpose of Congress in adding section 29 to the Federal home loan bank act to provide for a permanent expansion of the currency beyond the 3-year period.

Reading the provisions of section 29 in an effort to carry out the intent of Congress as disclosed by the legislative history of the measure, it is my opinion that the 3-year period prescribed by section 29 means that the bonds referred to in said section lose the circulation privilege at the end of the 3-year period and the notes issued upon the deposit of such bonds must be retired in an appropriate manner.

Respectfully,

(Signed) William D. Mitchell,
Attorney General.

The Honorable The Secretary of the Treasury.

MISCELLANEOUS

Exhibit 60

Special deposits of public moneys under the act of Congress approved September 24, 1917, as amended (Department Circular No. 92, revised)

Treasury Department,
Office of the Secretary,
Washington, February 23, 1932.

To Federal reserve banks and other banks and trust companies incorporated under the laws of the United States or of any State:

Department Circular No. 92, dated October 1, 1928, as amended, is revised to read as follows:

GENERAL PROVISIONS

Any incorporated bank or trust company in the United States desiring to participate in deposits of public moneys, as authorized by the act of Congress approved September 24, 1917, as amended, should make application to the Federal reserve bank of its district.

Application for deposit of public moneys under said act must be in Form H-5, hereto attached, and must be accompanied by a certified copy of a resolution, duly adopted by the board of directors of the applicant, in Form J-5, hereto attached.

Depositaries already qualified to a sufficient amount pursuant to Department Circular No. 92, dated October 1, 1928, as amended, will not be required to file new formal applications or resolutions, but if they desire to receive or retain deposits after March 7, 1932, must so notify the Federal reserve bank of the district in which they are located; and they will, by the acceptance or retention of deposits after March 7, 1932, be conclusively presumed to have assented to all the terms and provisions hereof, and to the retention of collateral security theretofore pledged as collateral security hereunder.

Depositaries heretofore designated, which have been wholly inactive for a period of two years preceding the date of this circular, will be discontinued, and, in the future, the designations of all such depositaries which have not applied for deposits for a period of two years will be automatically canceled. Depositaries so discontinued may be redesignated at any time, upon full compliance with the terms of this circular and upon recommendation of the Federal reserve banks. Depositaries, heretofore or hereafter designated, which, having subscribed to an offering of United States bonds, notes, or certificates of indebtedness and having in due course received an allotment on their subscription, refuse to receive the said allotment and make payment therefore, may be discontinued. Depositaries so discontinued may be redesignated upon full compliance with the terms of this circular, upon recommendation of the Federal reserve bank of their district and upon the approval of the Secretary of the Treasury.

In fixing the maximum amount of deposits for which it will apply, the applicant bank or trust company should be guided by the amount of the payments which it expects to make, for itself and others, on account of bonds, notes, and certificates of indebtedness of the United States issued under authority of said act, and income taxes, as the case may be, and, as well, by any statutory limitations upon the amount of deposits which the applicant bank or trust company may receive from any one depositor.

Any application may be rejected or the applicant may be designated for a smaller maximum amount than that applied for. After receiving the recommendations of the Federal reserve banks, the Secretary of the Treasury will designate approved depositaries.

COLLATERAL SECURITY

Designated depositaries will be required before receiving deposits to qualify by pledging as collateral security for such deposits, including interest thereon, securities of any of the following classes, to an amount, taken at the rates and conforming to the conditions provided below, at least equal to such deposits:

1. *United States Government securities.*—Bonds, notes, certificates of indebtedness, and Treasury bills of the United States Government of any issue, including interim certificates or receipts for payment therefor; all at face value.

2. *Federal farm loan, insular, and territorial government securities.*—Bonds and debentures issued under the Federal farm loan act, as amended, bonds of Puerto

Rico, bonds and certificates of indebtedness of the Philippine Islands, and bonds of the Territory of Hawaii; all at market value, not to exceed face value.

3. *State bonds.*—Bonds of any State of the United States; at market value, not to exceed face value.

4. *State notes, certificates of indebtedness, and warrants.*—Approved notes, certificates of indebtedness, and warrants issued by any State of the United States; at 90 per cent of market value, not to exceed face value.

5. *Municipal securities.*—Approved bonds of any county, city, or political subdivision in the United States; and approved notes, certificates of indebtedness, and warrants with a fixed maturity issued by any county or city in the United States, which are direct obligations of the county or city as a whole, or which are payable from general taxes levied on all taxable property in such county or city; all at 90 per cent of market value, not to exceed face value; provided, that the obligations tendered are issued by a county, city, or political subdivision in the United States which has obligations classified in one of the three highest grades by a recognized investment-service organization regularly engaged in the business of rating or grading bonds.

6. *Railroad, public-utility, and industrial securities.*—Approved bonds, listed on a recognized stock exchange, and notes, of domestic railroad companies within the United States; approved equipment trust obligations of such domestic railroad companies; and approved bonds and notes of domestic electric railway and traction companies, telephone and telegraph companies, electric-light, power, and gas companies, and industrial companies, secured (directly or by the pledge of mortgage bonds) by mortgage upon physical properties in the United States and listed on a recognized stock exchange; all at 75 per cent of market value, not to exceed face value; provided, that all such bonds, notes, and obligations are classified in one of the four highest grades by a recognized investment-service organization regularly engaged in the business of rating or grading bonds.

7. *National Credit Corporation gold notes.*—Gold notes of the National Credit Corporation; at 90 per cent of face value.

8. *Commercial paper and bankers' acceptances.*—Commercial paper and bankers' acceptances having maturity at the time of pledge of not to exceed six months, exclusive of days of grace, and which are otherwise eligible for rediscount or purchase by Federal reserve banks, and which have been approved by the Federal reserve bank of the district in which the depositary is located; at 90 per cent of face value. All such commercial paper and acceptances must bear the indorsement of the depositary bank or trust company.

9. *Customers' notes, drafts, and bills of exchange.*—Customers' notes, drafts, and bills of exchange indorsed by a correspondent incorporated bank or trust company and rediscounted by the depositary bank or trust company, when approved by the Federal reserve bank of the district in which the depositary is located; at 75 per cent of face value. All such notes, drafts, and bills of exchange must bear the indorsement of the depositary bank or trust company.

10. *Notes and bills payable of a correspondent incorporated bank or trust company.*—Notes and bills payable of a correspondent incorporated bank or trust company secured by customers' notes, drafts, or bills of exchange, or by other collateral eligible under this circular, to at least an equal amount, when approved by the Federal reserve bank of the district in which the depositary is located; at 75 per cent of face value. All such notes and bills payable must bear the indorsement of the depositary bank or trust company.

No security shall be valued at more than face value. No municipal bond, obligation, or evidence of indebtedness, shall be accepted unless the municipality has been in existence for a period of 10 years. No State or municipal bond, obligation, or evidence of indebtedness shall be accepted if the State or municipality has made default in payment of principal or interest during the past 10 years.

The right is reserved to call for additional collateral security at any time.

The approval and valuation of securities is committed to the several Federal reserve banks, acting under the direction of the Secretary of the Treasury. The withdrawal of securities, the pledge of additional securities, and the substitution of securities shall be made from time to time as required or permitted by the Federal reserve banks, acting under like direction.

CUSTODY OF SECURITIES

All securities accepted as collateral security for deposits hereunder must be deposited with the Federal reserve bank or branch of the district in which the depositary is located, as fiscal agent of the United States.

HOW DEPOSITS ARE TO BE MADE

Each qualified depositary will be required to open and maintain or continue for the account of the Federal reserve bank of its district, as fiscal agent of the United States, a separate account for deposits to be made hereunder, to be known as the "War Loan Deposit Account."

Qualified depositaries, if and to the extent from time to time hereafter authorized by the Secretary of the Treasury, may be permitted to make payment by credit, when due, of amounts payable on subscriptions made by or through them for bonds, notes, and certificates of indebtedness of the United States issued under authority of said act. In order to make payment by credit, the depositary must, on or before the date when such payment is due, notify the Federal reserve bank of the district of such intention and issue a certificate of advice to such Federal reserve bank, stating that a sum specified has been deposited with such depositary for the account of such Federal reserve bank, as fiscal agent of the United States, in the War Loan Deposit Account. Such certificate of advice must be substantially in Form K-2, hereto attached.

Payment of income taxes can not be made by credit. Out of the unexpended cash proceeds, if any, arising from the payment of income taxes, deposits may be made through the Federal reserve banks, under direction of the Secretary of the Treasury, with qualified depositaries throughout the United States, as may be hereafter announced by the Secretary of the Treasury.

All deposits and withdrawals will be made by the Federal reserve banks by direction of the Secretary of the Treasury.

The amount deposited with any depositary shall not in the aggregate exceed at any one time (*a*) the maximum amount for which it shall have been designated as a depositary, nor (*b*) the aggregate amount of the collateral security pledged by it taken at the rates hereinbefore provided.

WITHDRAWAL OF DEPOSITS

All deposits will be payable on demand without previous notice. Calls for withdrawals of deposits with special depositaries will be made through the Federal reserve banks, and depositaries will be required to arrange for payments of such calls in funds that will be immediately available on the payment due date.

INTEREST ON DEPOSITS

Each depositary will be required to pay interest at the rate of one-half of one per cent per annum on daily balances.

The right is reserved to amend or supplement or revise the provisions of this circular at any time or from time to time.

OGDEN L. MILLS,
Secretary of the Treasury.

Form H-5—Accounts and Deposits.

APPLICATION FOR DEPOSITS

____

To the Federal Reserve Bank ____________, fiscal agent of the United States:

The undersigned bank or trust company, in accordance with the provisions of Treasury Department Circular No. 92 (revised February 23, 1932), and pursuant to due action of its board of directions, hereby makes application for the deposit of public moneys, with it from time to time under the act of Congress approved September 24, 1917, as amended, the aggregate amount of such deposits not to exceed at any one time $____________; and assigns and agrees to pledge, from time to time to and with the Federal Reserve Bank of_____________________, as fiscal agent of the United States, as collateral security for such deposits as may be made from time to time pursuant to this application, securities of the character and amount required by said circular.

____

By ____________________________
President (Vice President)

Street __________________________

City or town ______________

State ________________________

Form J-5—Accounts and Deposits.

RESOLUTIONS AUTHORIZING APPLICATION FOR DEPOSITS

I hereby certify that the following resolutions were duly adopted at a meeting of the board of directors of the below-named bank (trust company), which meeting was duly called and duly held on the ------ day of -----------, 193—, a quorum being present, and that the said resolutions were spread upon the minutes of said meeting:

Resolved, That in accordance with the provisions of Treasury Department Circular No. 92 (revised February 23, 1932), this bank (trust company) makes application for the deposit of public moneys with it from time to time under the act of Congress approved September 24, 1917, as amended, the aggregate amount of such deposits not to exceed at any one time $-----------; and assigns and agrees to pledge from time to time to and with the Federal Reserve Bank of ---------------------, as fiscal agent of the United States, as collateral security for such deposits as may be made from time to time, pursuant to such application, securities of the character and amount required by said circular; and

Resolved, That the president, or any vice president, or cashier, or assistant cashier, or secretary, or assistant secretary, or treasurer, or assistant treasurer, of the undersigned bank (trust company) is hereby authorized to make application, assignment, and agreement as aforesaid, and from time to time to deliver to and pledge with said Federal Reserve Bank, or any custodian or custodians appointed by it, securities of the undersigned bank (trust company) of a character and amount at least sufficient to secure such deposits according to the terms of said Treasury Department circular, and from time to time to withdraw securities and to substitute other securities and to pledge and deposit additional securities.

In witness whereof I have hereunto signed my name and affixed the seal of the ------------ of ------------.

Cashier (Secretary)

Form K-2—Accounts and Deposits

CERTIFICATE OF ADVICE

(Title of bank or trust company)

(Location)

-------------------------, 193
(Date)

I hereby certify that there has been deposited this day with the above bank (trust company), to the credit of the Federal Reserve Bank of ------------, as fiscal agent of the United States, War Loan Deposit Account, to be held subject to withdrawal on demand, the sum of ------------ dollars, consisting of payment for

Bonds------------------------	principal-------------------	$------------
	accrued interest-------------	$------------
Notes------------------------	principal-------------------	$------------
	accrued interest-------------	$------------
Certificates of indebtedness-----	principal-------------------	$------------
	accrued interest-------------	$------------
	Total	$------------

Cashier or Vice President

(The depositary will forward this to the Federal Reserve Bank of ------------------------)

Exhibit 61

An act to amend section 5240, United States Revised Statutes, as amended in connection with the expense of examination of banks exercising fiduciary powers (U. S. C., title 12, ch. 2, sec. 82)

[PUBLIC—No. 245—72D CONGRESS—H. R. 8694]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5240, United States Revised Statutes, as amended (U. S. C., title 12, ch. 3, secs. 481, 482, 483, 484, 485), be amended by adding thereto a new paragraph reading:

"In addition to the expense of examination to be assessed by the Comptroller of the Currency as heretofore provided, all national banks exercising fiduciary powers under the provisions of section 11 (k) of the Federal reserve act, as amended (U. S. C., title 12, ch. 3, sec. 248 (k)), and all banks or trust companies exercising fiduciary powers in the District of Columbia shall be assessed by the Comptroller of the Currency for the examinations of such fiduciary powers, a fee in proportion to the amount of individual trust assets under administration and the total bonds and/or notes outstanding under corporate bond and/or note issues for which the banks or trust companies are acting as trustees upon the dates of examination of the various banks or trust companies."

Approved, July 2, 1932.

Exhibit 62

Statement by Secretary of the Treasury Mills, April 27, 1932, before the Committee on Ways and Means of the House of Representatives with reference to H. R. 7726, to provide for the immediate payment, in Treasury notes, of the face value of adjusted service certificates

The measure now before you is designed to pay an obligation not due, in money that is not honest. The adjusted service certificates do not mature until 1945. To pay them at their face value to-day, less the amount that has been borrowed on them would, in effect, almost double the payment provided for by the adjusted service compensation act, and would involve an immediate cost to the Government of about $2,400,000,000. In other words, the Government is to pay almost twice the amount it undertook to pay.

The United States Government has made generous provision for the dependents of those who gave their lives to their country, for the care of the wounded, disabled, and sick veteran, and for his dependents. We are spending annually about a billion dollars, or about one-fourth of our total expenditures, for the benefit of our veterans. I have the deepest sympathy for the veteran out of work, as I have for all who can not find employment. But there is no evidence to indicate that the veterans as a class are suffering more than any other group of individuals in the country. Moreover, anything that is harmful to the country is harmful to the veteran. He, together with every other citizen must be profoundly injured by any measure which destroys and defeats all that we have sought to accomplish, in so far as it lies within the power of the Government, to create conditions favorable to a recovery in employment and in industry.

The Government is confronted with an enormous deficit. To preserve unimpaired the public credit—and I know of nothing more important to the country—the entire people in a period of unprecedented depression are being asked to take on a colossal burden of additional taxation.

Under these circumstances, nothing will persuade me that the men who 15 years ago stood ready to give their lives to their country in the crisis of war, are to-day, in a crisis which in so far as human misery and suffering in this country are concerned far exceeds anything experienced during the war years, really seeking this huge grant of $2,400,000,000, the effect of which will be to impair public and private credit, to destroy confidence and to prolong the depression.

In saying this, I am not speaking just as Secretary of the Treasury, but as one who helped to call together and to organize that convention of the A. E. F. that gave birth to the American Legion; who participated in the organization of the Legion in my own State; who served as a State commander; and who presided over the first convention in the State of New York.

If these obligations were due to-day, then no matter what the cost, the United States Government on behalf of the people of the United States would honor

them. If these obligations are due, they ought to be paid in honest dollars. If they are not due and their payment is inimicable to the public credit and the public welfare, it can not be sanctified by the use of dishonest dollars.

The financial position of the Government is not such as to permit the Treasury to meet this demand. We are faced with an enormous deficit. The Congress is finding it difficult enough to bring the budget into balance through decreased expenditures and increased taxes. This committee knows that. No additional $2,400,000,000 can be raised by taxation. Taking into consideration all of the elements of the existing situation, no such sum can be borrowed except at excessive cost, with serious embarrassment to the Government in meeting its unavoidable obligations and with damage to the public credit.

The passage of this bill would, in my judgment, deal such a severe blow to public confidence as to make the consequences almost incalculable. Let us not forget the critical days through which we are living. In order to bolster up our entire private credit structure, upon which the business and commercial life of this Nation depend, we have been obliged to put back of it the credit of the United States Government. Let us not forget that in September and October, and again in December and January, banks in every section of this country were failing by the score, bringing disaster to individuals and to industry alike; that over a billion and a quarter dollars of currency was being hoarded; and that we have witnessed a contraction of credit accompanied by a reduction in prices and a restriction of business activity unparalled in the economic history of this country.

What does all this mean? It means that fear has gripped the American people to such an extent as to destroy their confidence and paralyze their normal activities and enterprise. We have been gradually overcoming that fear. In the last few weeks the foundations have been solidified, the ground under our feet has become firmer, banks have stopped failing, and currency is coming out of hoards. The day must come when credit will expand, prices will rise, and business and employment will turn upward.

To select this particular moment to destroy our hopes of a balanced budget and to deal a smashing blow to national confidence, is to me simply incomprehensible.

The proponents of this measure fully recognize that the cost can not be borne by legitimate means. They seek, therefore, to avoid the consequences of their action by resorting to a device which far from averting the dangers which I have described, multiplies them many times. They would discharge what they state to be a solemn obligation of the United States Government, not by raising the funds through taxation, not by drawing on the public credit, not by payment of an honest dollar, but by setting the printing presses to work printing dishonest dollars.

This device is the direct descendant of the practices of dishonest and unscrupulous princes and sovereigns, who robbed and defrauded their subjects by debasing their currency.

It has been resorted to time and again, and I know of no instance where it has failed to bring retribution and disaster.

There is no reason that I can conceive of to justify the Government of the United States resorting to the printing press to meet its obligations. This is a question that transcends in importance the payment at face value to-day of adjusted service certificates, or of their nonpayment. It involves the courage, the character, and the financial integrity of the United States. I can imagine a poor, bankrupt people, at the end of their resources and as a last act of desperation resorting to the debasement of their currency. But for a great, powerful nation, probably the strongest nation economically not only in the world to-day, but that has ever existed in the world, that even in a period of deep depression has not begun to call upon its ultimate reserves and resources, deliberately to adopt this insidious and essentially dishonest device, would to my mind be worse than an act of financial bankruptcy. It would constitute moral bankruptcy.

Let us not be deluded by the idea that this scheme can be carried through without cost. On the contrary, the initial cost would be indefinitely multiplied in its ultimate effects and must be borne by everyone.

If there is one lesson in economic history on which all are agreed, it is the extreme difficulty of stopping an inflationary process of this kind short of such complete debacle as reduces the currency to worthless paper. Postwar inflation reduced the franc from 19 to 2 cents; postwar inflation reduced the mark from 24 cents to zero. In the case of Germany, particularly, it brought the economic life of the country to a state of complete prostration and economic ruin to practically all classes of her population. And yet, both in the case of France and of

Germany, they were driven to this course by forces which were, or seemed at the time, so irresistible as to make it impossible to stand up against them.

In our case it is proposed, after five successive tax reductions at a time when our taxes are applied at the lowest rates they have been since the war, before we even make an effort to draw on our available national resources, before we even resort not to the war-time tax levies, but to the rates that prevailed in 1924, under which we lived and prospered, it is proposed, I say, to resort to the printing press.

Let us have no illusion on one point at least. If it is legitimate and proper and wise to pay the adjusted service certificates by printing currency, then it is legitimate and proper and wise to meet the real obligations of the Government by the same process. Why bother with a revenue bill? Why compel the Treasury on quarter days to sell certificates, notes, and bonds to the public? All we have to do, according to the gentlemen who urge the passage of this measure, is to buy the paper and the ink and tell the engravers and printers to go to it. Under these ideal conditions you can, of course, make some savings. You do not need a Secretary of the Treasury or a large staff in the Treasury Department. All you need is a first-class production manager. Ultimately, of course, you will need quite a sales force to keep your currency in circulation. Gentlemen may laugh, but in the course of the last decade, in several countries that I could mention, bales of currency have been peddled on the streets.

I know it will be said that we can arrest the movement long before it goes to such lengths. But what reason is there to believe that any government that is sufficiently mad and improvident to embark on such a course would have the character to stop, particularly as all experience shows that once such a movement is started the forces that urge it forward grow constantly greater and more remorselessly persistent.

It is represented, of course, that during the beginning of an inflationary process, even the crude inflationary process by way of the printing press, certain classes in the community do benefit. But their benefits are fleeting at best, and it can not be emphasized too strongly that for large classes of the community, savers, bondholders, insurance policy holders, salaried persons, all recipients of fixed incomes, and to a very large extent wage-earners, since wages rise more slowly than prices, are not even initially benefited. In the end all classes are heavy losers, and the farmer, if our experience counts for anything, among the heaviest of all.

In so far as the Treasury is concerned, inflation of this character is fatal to its budgets. The experience of all nations is that inflation, once begun, perpetuates the deficit and operates to augment it. The recurrent deficits of the French and German governments while inflation was in full swing are cases in point. The real value (gold value or purchasing power) of government receipts diminishes so rapidly during the tax period that they become inevitably unequal to the procurement of the goods and services necessary for the government to function. On the other hand, the established sources of taxation tend gradually to dry up and new bases must be found, which are necessarily less satisfactory and productive and always difficult to reach. Thus, during a period of inflation both of these circumstances—rapidly rising expenditures and decreased revenue—tend to produce continuing deficits, and, hence, to perpetuate the inflation.

In so far as our present situation is concerned, there is no currency shortage. It is true there has been credit contraction on a large scale, but there exist ample reserves on which to base a credit expansion adequate to meet all of our actual and potential needs. The problem is to put credit to work. The Government can not bring this about by forcing out fiat currency. It can assist very greatly by putting its own house in order and taking such measures that in the eyes of the whole world Federal credit will stand as a pillar of unassailable strength.

How can private credit expand as long as the public credit remains in doubt? This is fundamental. It is the very essence of the problem with which we are wrestling.

No one is more anxious than I am not only to arrest this excessive credit contraction, but to set in motion forces that will lead to credit expansion, but these results can best be obtained by having the Government in its own sphere pursue a wise, honest, and sound policy, and leave it to the great credit agencies of the country, not only the private, but the semipublic institutions, to meet this problem, the solution of which is essential to the recovery of the Nation.

The key to it all is confidence. Destroy confidence and you dry up credit and paralyze enterprise. No measure was ever drafted better calculated to destroy confidence than the one now before you. Enact it into law and you will stifle all hope of an early economic recovery and write the most lamentable chapter in American financial history.

Exhibit 63

The Financial Reconstruction Program, an address by Secretary of the Treasury Mills, April 25, 1932, before the Associated Press, New York City

We are confronted with a most extraordinary and baffling paradox.

We know that, judged by any economic standards, past or present, the United States is a remarkably rich country, richer than anything ever dreamed of by any nation in the world. We have vast natural resources, splendid factories, the most complete and up-to-date mechanical equipment, and the finest trained workmen on earth. It is no longer a case of potential wealth—it is actual and real; and the volume of wealth that is still being produced, even at the depth of the depression, must seem enormous to other nations.

And yet, there isn't the slightest doubt that, likewise judged by any economic standard, we have been and are still going through the most severe depression ever experienced in this country. We have to go back over a hundred years to find anything to approach it, and in those days the accumulations of capital were relatively small, the great bulk of the population living on farms was self-sustaining, and such financial crises as were known back of the 1830's must in the very nature of things have been relatively less severe.

The times call for serious and honest thinking, and for cool and objective judgment and decision on the part of those to whom we must look for leadership in the world of business and in the field of government. It has long since been evident that the depression could not be left to cure itself. There never was a time when there was greater need for principles and wisdom in men, and character and courage in nations.

There is, of course, a great temptation to delve into the causes which have brought about existing conditions. The future value of such studies will be great, but the immediate task is to determine what forces are at present exercising depressing and disintegrating influences, and how best we can counteract them.

Whatever the original and the primary causes of this depression, in its later phases the clear and outstanding fact is that financial elements thrust themselves violently into the picture a year ago, and have since dominated it.

Recognizing that past errors and growing maladjustments had probably long since laid the train, nevertheless, just as in the case of the tragic murder at Sarajevo 18 years ago, the insolvency of the Credit-Anstalt last May set in motion a chain of events which in the rapidity of their sequence and the violence of their cumulative effects were unparalleled. The dramatic disclosure of the weakness of this great banking institution in Central Europe and the impending failure of Austrian credit at once undermined the credit structure of its great neighbor, Germany. Whether the attempt to save Germany through the 1-year suspension of payments on account of governmental obligations would have succeeded had it not been for the delay, it is impossible to say. But the fact is that a complete collapse occurred of the normal functioning of the financial machinery in Germany, and the machine had to be taken over largely by the Government. By that time, confidence throughout the world had been thoroughly well shaken. As if directed by some evil genius, the forces of disintegration next attacked the world's financial citadel, the stronghold that throughout the centuries had stood unassailable, the accepted symbol of financial security. Within a few weeks London was compelled to capitulate, Great Britain went off the gold standard, and the world stood aghast. Then the wave of destruction rolled forward once more, seeking to tear down and engulf the credit of the United States and the American dollar. That battle was won, but the cost was heavy, and as we have learned from real war, even victory can be followed by misfortunes second only to those resulting from defeat. When the battle was over, not so very long ago (for while the main shock of attack came in September and October, we have been beating off attacks ever since) the gold resources of the United States were over $700,000,000 lower, hundreds of banks had failed, the banks were heavily in debt to the Federal reserve system, and currency was being hoarded on an immense scale.

All of these factors constituted a tremendous drag upon the country's economy, under the effects of which the production and distribution of goods and prices of commodities and securities plunged to new low depths. But for this series of events, recovery from our depression might well have begun many months ago.

It is not an unreasonable assumption that after the sweeping decline and liquidation which had taken place, the economic forces working towards contraction and deflation had fairly well spent themselves. There is ample evi-

dence that economic readjustment has proceeded far in the positions of individuals, business and financial institutions, and more recently of the Nation and its political subdivisions. The weakest spots in our banking and business structure have been eliminated. The 1931 records of many of the strongest business activities indicate that they have at least so adapted themselves to prevailing conditions that with some increase in activity their operations may now be carried on at a reasonable profit. The Nation, the States, and the cities are attacking the problem of budgetary equilibrium with increased vigor.

But whatever forces were working toward recovery were more than offset by the paralyzing fear which gripped our people, the loss of confidence, and the terrible contraction of credit which forced business and prices to new low levels.

Between September, 1931, and March, 1932, prices have declined by about 7 per cent; production by 9 per cent, whereas loans and investments of weekly reporting member banks were about $2,750,000,000 lower, or 12 per cent, and their deposits $3,300,000,000 lower, or 16 per cent.

A vicious circle had been set up. Banks were failing. Every bank that failed frightened depositors. They withdrew deposits. The withdrawal of deposits frightened the banks. The banks in turn sought to make themselves liquid—that is, they sold investments, called loans, and stopped making new loans. As this movement proceeded the prices of bonds fell progressively to lower levels, weakening the position of all banks holding them as a secondary reserve, and carrying a threat to other great fiduciary institutions. All of this, as we have seen, meant an enormous contraction of credit, which had inevitably to be accompanied by a fall in prices and a restriction of commercial and industrial activity.

If this analysis be correct, the twin weapons which must be forged to repel and turn back the forces of destruction are a reinvigorated credit structure and a restoration of national confidence. The wave of fear and the tide of deflation have to be turned back. The country is just beginning to realize the steps that have been taken one by one as part of a coordinated and consistent campaign to assure ultimate victory in the battle against depression. The only way that I know to bring adequate relief to the people of the United States is to set in motion forces that will make economic recovery possible.

The first step was the organization of the National Credit Association through which in effect the banks of the country voluntarily organized so as to mobilize their resources for mutual assistance. It performed a great service at a time when no other agencies of that character were in existence. It saved many banks from failure; in fact, the number of bank failures dropped from 522 in October to 175 in November. The men who organized and gave their time so freely to the work of this association performed a real public service and are entitled to our gratitude.

We next saw the creation of the Railroad Credit Corporation, intended to assist the weaker railroads in meeting their fixed obligations and the enactment of a law increasing the capital of the Federal Land Banks, with a view to strengthening the credit position of these great agricultural credit institutions and to permit the continuance of a liberal policy towards agricultural borrowers.

Then came the creation of the Reconstruction Finance Corporation. By January the process of deterioration had again been accelerated. There were 342 bank suspensions that month. With the continued contraction of loans and investments of the banks at an increasing rate and the decline in prices of the securities which form in large measure the reserves of the great fiduciary institutions of the country, the uncertain status of railroad credit, and the growing sense of fear, almost amounting to panic, it became more and more evident that the whole credit structure of the Nation was gradually being imperiled.

What the Government did in creating the Reconstruction Finance Corporation was to put the credit of the Government itself back of the national credit structure. The corporation was empowered to make loans to certain institutions selected because they were affected with the public interest and because they were either essentially national in character, or formed essential cogs in the credit machinery of the country.

Take the banks for purposes of illustration: Why did the Federal Government lend its credit to the support of the banks of the country? Not because the Government is interested in the officers or stockholders of these banks, but because they are the instrumentalities through which the business and commercial fabric obtains the necessary credit upon which it lives, and because

they hold the deposits and savings of millions of our countrymen, to whom a bank failure brings disaster and misery.

When the Reconstruction Finance Corporation saves a bank in some comparatively small community—and they are the banks it has been saving, for the record shows that 86.4 per cent of the banks that have borrowed up to date are located in towns of 25,000 or less, and only 5.3 per cent of the money loaned has been loaned to banks located in cities of a million and over—it preserves the savings laid aside by the family for a rainy day from being tied up indefinitely in a suspended bank. It makes available to the merchant and manufacturer of that town the current deposits and the credit facilities which he needs to keep his small business going.

From the standpoint of direct benefit to the individual I do not know of any single measure calculated to reach and protect more people, particularly those needing protection and assistance, than is afforded by this provision for the support and safeguarding of the banks of the country. From the broader aspect these loans serve the all-important purpose of maintaining confidence and of preventing the disintegration of the credit machinery of the country.

Again, consider the case of the railroads. Some gentlemen apparently visualize the railroads of the United States as the private property of a limited number of stockholders. Now, I have the greatest sympathy for the stockholder, considering the prices at which equities are selling to-day. But what are the railroads? They are the backbone of the transportation system of the country. They are the largest employers of labor. They are one of the largest purchasers of raw and fabricated materials of all kinds. Their underlying securities to the extent of many billions of dollars are held by the great fiduciary institutions, such as insurance companies and savings banks, which means that indirectly there is invested in them the savings of the American people. To-day there are something like 68 million insurance policies outstanding.

In the face of these facts can any one question the national necessity of maintaining the credit of the railroads, not only in the interest of our commerce and industry, but for the sake of the thousands of men that they employ and the millions of individuals whose savings are invested in that most sacred form of family investment, the life insurance policy? When a railroad goes into receivership, men are discharged, capital improvements are suspended, purchases fall off, the value of its underlying securities is severely depreciated, and its service to the public is curtailed. These are the fundamental reasons why railroads were included in reconstruction legislation intended to strengthen and protect our national economy.

And so on down through the list of those institutions which are authorized to borrow from the Reconstruction Finance Corporation.

Mortgage companies, building and loan associations, joint stock land banks, agricultural credit corporations, etc., all affected with a public interest, all furnishing the medium through which not only the national credit structure may be reinvigorated, but the individual citizen protected.

This great work is going forward. It has already borne fruit. There were 342 bank suspensions in January, with deposits of $219,000,000; while 19 banks with deposits of about $11,000,000 reopened. In March only 45 banks suspended, with deposits of about $16,000,000, and 28 reopened, with deposits of about $15,500,000, almost an offset in deposits.

As a result of the sharp decline in bank failures and unquestionably in part because of the vigorous campaign conducted by Colonel Knox and his Anti-Hoarding Organization, currency has begun to come back from hiding. After making adjustment for seasonal movements, from February 6 to April 12, the return flow of currency amounted to some $250,000,000.

This movement and other available evidence indicate clearly that there is a definite, if gradual, return of confidence, and I can not repeat too often, credit and confidence are the key to the solution of our problems.

But if it was necessary to put the credit of the National Government back of the private credit structure of the country, it follows as a necessary corollary that it is even more vitally essential to preserve unimpaired the credit of the National Government. Directly and indirectly, our private credit structure and our monetary system are inextricably tied to the credit of the National Government. No greater blow could be dealt to national confidence and to the national credit than the failure of the Federal Government in times like these to follow a sound financial policy and to balance its budget.

This means, for the Government, drastic economies; for the people, an additional burden of taxation. What is the alternative? Continued borrowing at constantly increasing interest rates, progressive depreciation in the value of all outstanding Government securities, loss of confidence, and in the end uncontrolled inflation and a sad day of reckoning.

Next in order, the Glass-Steagall Bill is deserving of mention. The purpose of this law is twofold: During the period of emergency, to make the credit facilities of the Federal Reserve System available to member banks, whose eligible paper has been exhausted, by permitting them to borrow on sound assets. This is another measure which affords relief to the banks and puts them in a stronger position to meet any demands that may be made on them. It relieves the member banks of the necessity of selling investments and calling loans to make themselves more liquid, and tends to make the banks more willing to lend freely.

The second and more important feature of the Glass-Steagall Law is that which frees the large supply of gold held by the Federal Reserve System in excess of the 40 per cent gold reserve against notes required by law, but tied up as collateral cover for Federal reserve notes issued. This change in the law without reducing the legal reserves of the Federal reserve banks released something like $1,000,000,000 of gold, a tremendous protection against any such raid on the dollar as we witnessed in September and October, and at the same time puts the Federal reserve banks in a position to make credit much more freely available to the country.

This leads us to the latest feature of the program of financial reconstruction. It must not be forgotten that the events which have taken place have greatly curtailed those funds which constitute reserves and therefore form the basis for credit expansion. We have lost since September approximately $640,000,000 in gold, and in addition currency still hoarded must be well in excess of $1,000,000,000. The Federal reserve program of buying Governments, which has been in progress now for some weeks, would thus be fully justified on the grounds of replacing exported gold and hoarded currency.

But I believe that there is more to be said in favor of such a policy. With the collapse of our banking system definitely halted and with our commercial and industrial organization still in a state of extreme strain, what would appear to be required now is the stimulus of credit expansion, supported by a liberal policy of the Federal Reserve System, such as it is pursuing at present, and regulated in its development by that system. With a gradual restoration of confidence at home, with greater stability abroad, with a new banking law increasing the amount of disposable gold, the situation is auspicious for carrying through an easy money policy as long as it remains under control, and does not develop into uncontrolled inflation. The means of control lie in our official banking organization, and the machinery of that organization provides a method of solving such difficulties and dangers as may arise. Controlled credit expansion is only possible through the operation of that system. I emphasize this to bring out the contrast between controlled expansion of this kind and pure inflation, such as is involved in proposals now before the Congress for printing fiat currency, or such as would result ultimately from a series of unbalanced budgets.

I realize how inadequate and sketchy is the outline which I have given you. But I have tried to demonstrate in a general way that, in its latter phases at least, the continuing depression can in large measure be explained by fear, loss of confidence, and a steady contraction of credit resulting in a suspension of the normal functioning of the credit machinery which in the modern economic state is an indispensable factor in maintaining industrial and commercial activity. I have tried to point out that credit and confidence are the magicians that must solve our paradox for us. I have briefly enumerated the steps that have been taken to arrest the process of deterioration and to enlist credit and confidence in the battle against depression. I have pointed out that progress has been achieved. But it takes time to arrest and reverse these great movements, and while it seems almost cruel to urge patience after an already protracted period of waiting, yet I cannot help but feel that we should give the forces which have been set in motion an opportunity to exert themselves before yielding to doubt as to whether we are on the right path.

Let us keep faith. In spite of the trials through which this generation has lived, we possess a great heritage, which long after these events have passed into history we must transmit unimpaired to future generations. I have seen nothing, even in the darkest hours of doubt, to impair my faith in the promise of American life.

Exhibit 64

The Treasury Department, an address by Under Secretary of the Treasury Ballantine, September 2, 1932, at the exercises at Federal Hall, New York City, as a part of the George Washington Bicentennial Celebration of the 143d birthday of the United States Treasury Department.

In 1789 the first Congress of the United States, assembled in the city of New York, began the task of building a government under the Constitution which had just been adopted by the 13 states. The creation of a Treasury Department on September 2, 1789, 143 years ago to-day, was one of the chief initial steps. None has more thoroughly proved the wisdom of the founders of our Government. This anniversary date, commemorated as part of the George Washington Bicentennial celebration, finds the Treasury discharging its historic functions on a scale which the fathers could have hardly conceived, and bearing a vital part in defeating the depression.

One hundred and forty-three years ago the new Nation, shortly emerged from the War of Independence, was suffering from lack of any adequate central government. Failure had threatened throughout the Revolution because of the difficulty—almost the impossibility—of securing financial support, either from the colonies or abroad. The central government had no public credit. The first Congress did not know the amount of the war debt to be paid, if assumed. They did come to the realization that the survival of the Government provided for by the Constitution depended largely on prompt and adequate solution of the Government's financial problems.

The compelling perception of the necessity for sound public finance for the United States was that of Alexander Hamilton, the first Secretary of the Treasury. Within three years after the creation of the department, Hamilton had secured legislation looking to the refunding of the public debt and establishing both at home and abroad confidence in the financial integrity and capacity of the new Government, which has ever since been maintained. It was the first Secretary who also secured provision for our sound decimal currency system, replacing the confusion of the English, French, and Spanish coins previously in circulation.

Other secretaries, in difficult periods, have carried on the early traditions of the Treasury. The work of Secretary McCulloch after the Civil War is seen in the refunding act of 1870, passed after he had left office, under which the management of the great Civil War debt proceeded in an orderly manner.

The period following the Civil War saw the Treasury struggling with the problem of irredeemable paper currency, the greenbacks, which were issued under the financial stress of the war. In terms of irredeemable paper currency, prices thereafter rose sharply. Many commodities were offered at one price in gold and a much higher price in the paper currency. Thus to buy $1.00 of gold it took $2.85 of paper money in 1864 when the gold premium was highest, and $1.23 of paper money as late as 1870. The postwar depression of the seventies brought suggestions for relief through further increases of the irredeemable paper money. Proposals for making paper currency redeemable in gold met much opposition.

One of the early steps toward restoring the currency was accomplished by President Grant in preventing permanent increase in this fiat money in 1874, when he vetoed a bill passed by Congress and stated, "Paper money is nothing more than promises to pay, and is valuable exactly in proportion to the amount of coin that it can be converted into." The tide was turned, and on January 14, 1875, another important step was taken with the passage of the resumption act providing a program for retirement of paper currency and that redemption in gold should begin January 1, 1879. This disastrous experiment with fiat money should prevent this country from ever resorting again to such a dangerous expedient.

The development of the Treasury saw the addition of many functions which increased the variety and importance of its work. The Coast Guard, one of the oldest services, established in 1790 as the Revenue Cutter Service, patrols the entire coast line day and night, bringing help to vessels in distress and saving life and property at sea, as well as protecting the customs revenues through the prevention of smuggling. Coast Guard seaplanes and radio communications now play an important part in this work. The service is manned by a force of about 12,000—officers and enlisted men. The high standards of service discipline, on which the splendid record of the Coast Guard has been built, are a long-established tradition, continuously protected by careful selection of applicants for service at recruiting stations, and the training of cadets at the Coast Guard Academy.

The Public Health Service was established in 1798 as the Marine Hospital Service for the maintenance of hospitals to provide medical care for sick and disabled American merchant seamen. This service continues to-day and includes more than 150 hospitals and relief stations at ports of the United States, territories, and possessions. Medical assistance is now rendered to other Government agencies as well, such as the Coast Guard, the Lighthouse Establishment, and the Immigration Service. The Public Health Service has developed into an organization which protects the health of the Nation, not merely by administering the national quarantine laws, but also by its studies for the prevention and cure of diseases, and through its cooperation with the States, in improving local health conditions and in health educational services.

Through the office of the Supervising Architect, the Treasury constructs and operates most of the public buildings of the Federal Government. Over 1,600 Federal buildings scattered throughout the United States are in the custody of the Treasury Department. These include courthouses, post offices, customs houses, marine hospitals, and other structures.

Through this office the Treasury is now carrying out the great public building-construction program accelerated for the relief of unemployment, involving total expenditures of some $700,000,000 and 1,800 building projects in Washington and throughout the country. Outstanding architectural firms are employed to design some of the larger and more monumental buildings. On August 1, 216 buildings had been completed, 367 projects were under contract, plans for 134 projects had been completed, which will shortly be placed under contract, and plans were under way for 80 additional projects which will be placed under contract during this fiscal year. When present building plans for Washington have been completed, the general arrangement of our National Capital will have been carried out according to the plans which were made with such skill and foresight by L'Enfant under the direction of our first President, whose bicentennial we are celebrating.

Time is too limited for appropriate comment on the activities of all important organizations in the department. The Bureau of the Mint, which had its beginning in 1792, has general supervision over the assay offices and the mints where the gold, silver, and other coins of our currency system are struck. The Office of the Comptroller of the Currency, established in 1864, supervises our national banking system. The Bureau of Engraving and Printing, also established during the Civil War, now designs, engraves, and prints money, postage stamps, and securities for the Government. More than $4,000,000,000 of paper currency are printed each year, in large part to replace worn-out money. A Secret Service Division guards continuously against counterfeiting of money and forgery of checks and securities, and provides special protection for the President of the United States. The Bureau of Customs and the Bureau of Internal Revenue play vital parts in the finances of the Government, one in administering the tariff laws and the other, the internal revenue laws.

Never has intelligent administration of the principal function of the Treasury, the management of the finances, been more important than it is to-day. In the first years of the new Government, total annual expenditures were about $5,000,000 and the total funds handled by the department each year were about $20,000,000; to-day annual Federal expenditures are about $4,000,000,000 and the total funds handled each year by the Treasury Department have grown to the tremendous sum of $20,000,000,000. The Treasury handles the funds of the Government so well and faithfully that we seldom realize that the collecting, disbursing, and accounting of billions of dollars each year require the never-failing services and attention of a large group of highly trained officers.

Internal revenue collected in each of the 64 collection districts by Government officials acting under the Commissioner of Internal Revenue, and customs collected at each of the 299 ports of entry under the administration of the Commissioner of Customs, are deposited daily in a Federal reserve bank or other designated depositary. Daily these institutions report to the Treasury all receipts and disbursements on Government account and in the office of the Treasurer a highly efficient staff analyzes the reports. The summary of their work is published as the Daily Statement of the United States Treasury, which shows in detail current receipts and expenditures with totals for the fiscal year to date together with specification of the amount and location of the funds on hand. The daily report which the Treasury thus makes available to the public is a a unique practice in government finance.

Collecting the Federal revenues to-day brings Treasury officials into direct contact with millions of citizens of the country, largely through the administration of the income tax. Prior to the World War when receipts were derived primarily

from indirect taxes, that is, duties on imports and the internal revenue taxes on distilled spirits, fermented liquors, and tobacco, the average citizen was little aware of his contribution to the Federal Government. To-day the income tax has become the principal source of our revenues and 4,000,000 individuals and hundreds of thousands of corporations file returns each year. Next year, under the Revenue Act of 1932, about 7,000,000 income tax returns are expected to be filed.

The magnitude of the task of administering the Federal income tax may be judged by the fact that in the 15 years from 1917 to 1931, inclusive, the Treasury collected more than $33,000,000,000 in income and profits taxes; it had to deal with not less than $5,000,000 returns, showing tax liabilities ranging from nothing to hundreds of millions of dollars. All returns had to be checked and those of any size or calling for special attention had to be investigated in the field. All indicated changes in the liabilities reported had to be taken up with the taxpayers and settled. That great task has been faithfully and impartially performed.

Sound management of the finances of the Government according to the traditions established in the early days of its history was never more evidenced than during the 11 years following the World War and prior to the depression, the greater part of the period having been under the leadership of Secretary of the Treasury Mellon. The Treasury Department recommended prompt action for reduction in expenditures, payment of the great war debt and revision in the emergency tax system. During this 11-year period expenditures were reduced from the high war level of nearly $19,000,000,000 for the fiscal year 1919 to an average of less than $3,700,000,000 for the eight years ended with the fiscal year 1929. Four revenue acts were passed, those in 1921, 1924, 1926, and 1928, through which the elaborate war-time tax system was converted into the comparatively simple and less onerous system adapted to a period of peace and prosperity. The great war debt was reduced from over $25,000,000,000 on June 30, 1919, to $16,000,000,000 on June 30, 1930, or by about one-third. The reduction in debt and the refunding operations effected during this period brought about a decrease in annual interest charge amounting to $448,000,000.

One of the functions of the Secretary of the Treasury which calls for the soundest financial judgment is deciding when and on what terms Government issues shall be placed. Management of the public debt was very important during the postwar period. Refunding operations which so reduced interest charges, involved the substitution for outstanding obligations of other obligations carrying lower rates of interest. Terms of the new debt thus issued were planned with a view to maintaining a distribution of maturities convenient for the use of funds available for debt retirement and also for the accomplishment of future refunding operations when market conditions were advantageous.

During the depression responsibilities of the Treasury Department have been no less serious than during the days of the World War. With decreasing volume of business, revenues declined while Government expenditures increased in response to the demand for outlays for relief of the depression. Federal finances for the fiscal year 1930 were not affected perceptibly and the year showed a surplus of $184,000,000. In the latter part of the fiscal year 1931, the finances reflected the depression in marked degree, and the year closed with a deficit of $903,000,000 and an increase in the public debt of $616,000,000.

In the 11-year period ended June 30, 1930, the public debt had been reduced in an amount which exceeded statutory requirements by $3,460,000,000. This acceleration of the debt retirement program might be considered to have created something in the form of a reserve upon which the Government was justified in drawing during lean years. In the fall of 1931 when it was clear that owing to the continuance and intensification of the depression, continued and larger deficits were in prospect unless decisive steps were taken, the Secretary of the Treasury urged immediate action for regaining a balanced budget and retaining the public credit unimpaired. He declared: "If the public credit is to be maintained, there are certain basic principles that must be observed in the conduct of national finances. First, the sinking fund assigned to gradual retirement of the public debt must be maintained. * * * Second, over a period of years revenues must be equal to expenditures. Deficiency in revenue for a time may be inevitable, owing to operation of the emergency conditions, but must not be allowed to continue. Observance of these principles in the conduct of our Federal finances requires, in addition to continued effort to reduce expenditures, a very substantial increase in the revenues through taxation." Definite taxes were proposed to meet this urgent situation.

During the anxious months that followed, the Secretary of the Treasury was continuously engaged in the campaign to secure from Congress and from the

people throughout the country support of this fundamental policy, a balanced Federal budget.

During the winter and into the summer of 1932 the department cooperated continuously with committees and members of Congress on the detailed work which resulted in the revenue act of 1932, signed June 6. This act, it is estimated, will raise more than $1,100,000,000 of additional revenue, including postal receipts during the fiscal year 1933. The Treasury stressed continuously throughout this period the importance of its fiscal policy with particular reference to reduction in expenditures over which it had no immediate jurisdiction except for its own department. Important steps for reduced expenditures were taken by Congress in the so-called economy act, signed June 30, 1932.

The provisions for additional revenue and steps taken for reduction in Government expenditures have constituted the first major step in the reconstruction program to meet the depression. The public credit, which is the particular charge of the Treasury Department, has been put on an unquestioned basis. It is the keystone of the arch supporting the entire business structure of the country.

In this emergency period it has been necessary to bring the public credit of the United States to the support of the entire credit and financial structure of the country. This has been accomplished through the Reconstruction Finance Corporation, of which the Secretary of the Treasury is a director. This organization, with its great reservoir of credit supplied through public issues, was created to combat the depression, and the assistance it has given to institutions, such as banks and railroads, has made secure to millions of our people their savings in the form of bank deposits and insurance policies. Loans made in the first five months of its operation totaled more than $1,000,000,000 and reached over 4,000 financial institutions. Seventy per cent of the 3,600 banks receiving loans were located in towns with less than 5,000 population. Loans thus made have brought relief affecting the savings of many millions of individuals throughout the country. All this has been possible primarily as a result of prompt steps taken to safeguard the public credit.

On its birthday celebration to-day the Treasury represents a great and vital department of your Federal Government. Established by Hamilton on sound lines, the development of the department has responded to the changing needs of the country. Through the passing years since the date of its foundation, it has built up a notable tradition and esprit de corps, carried on and maintained by a body of civil servants whose devotion to their work is nowhere surpassed.

Exhibit 65

Excerpt from a letter of the Acting Postmaster General to the Secretary of the Treasury, dated October 24, 1932, certifying extraordinary expenditures contributing to the deficiency of postal revenues for the fiscal year ended June 30, 1932, in pursuance of Public Act No. 316, Seventy-first Congress, approved June 9, 1930 (40 Stat. 523).

In accordance with the provisions of the act of June 9, 1930, embodied in section 81½, Postal Laws and Regulations, the amounts set forth below with respect to certain mailings during the fiscal year ended June 30, 1932, are certified to you in order that they may be separately classified on the books of the Treasury Department in stating the expenditures made from the appropriation to supply the deficiency of postal revenues:

(a) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege, including registry fees		$9,151,899.00
(b) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by:		
1. Members of Congress under the franking privilege	$778,436	
2. By others under the franking privilege	6,289	
		784,725.00
(c) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the county		631,647.00
(d) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year		133,641.00
(e) The estimated difference between the postage revenue collected during the year on mailings of newspapers and periodicals published by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage		350,300.39
(f) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail		20,586,107.31
(g) The estimated amount paid during the year to vessels of American registry for carrying the ocean mail in excess of what would have been paid at pound rates if carried in vessels of foreign registry		21,666,102.89
Total		53,304,422.59

TABLES

EXPLANATION OF BASES USED IN TABLES

Figures in the following tables are shown on various bases, namely: (1) daily Treasury statements, unrevised (current cash); (2) daily Treasury statements, revised (actual); (3) warrants issued; (4) checks issued; and (5) collections reported by collecting officers.

Daily Treasury statements (unrevised) (receipts and expenditures).—The figures shown in the daily statement of the United States Treasury are compiled from the latest daily reports received by the Treasurer of the United States from Treasury officers and public depositaries holding Government funds. The daily Treasury statement, therefore, is a current report compiled from latest available information, and, by reason of the promptness with which the information is obtained and made public, it has come into general use as reflecting the financial operations of the Government covering a given period, and gives an accurate idea of the actual condition of the Treasury as far as it is ascertainable from day to day. This is known as "current cash basis," according to daily Treasury statements (unrevised). Table 4 (p. 358) shows receipts and expenditures on this basis. The current assets and liabilities of the Treasury and the outstanding public debt are also available on this basis.

Daily Treasury statements (revised) (receipts and expenditures).—On account of the distance of some of the Treasury offices and depositaries from the Treasury, it is obvious that the reports from all officers covering a particular day's transactions can not be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. It is necessary, therefore, in order to exhibit the actual receipts and expenditures for any given month or fiscal year, to take into consideration those reports covering the transactions for the last few days of the month or fiscal year concerned which have not been received in the Treasury until the succeeding month or fiscal year. After taking into consideration these reports, the revised figures indicate the condition of the Treasury on the basis of actual transactions occurring during the period under review. This is known as "the basis of daily Treasury statements (revised)."

It is not practical to delay the publication of the daily Treasury statement in order to include the later reports, as the difference between the revised and the unrevised figures is immaterial. The unrevised figures as shown in current daily Treasury statements are the basis for the Budget estimates submitted to Congress by the President. The revised figures are of no practical use except to enable the use of a true General Fund balance on the monthly statement of the public debt of the United States and to bring the daily Treasury statement figures into agreement with the figures based on warrants issued. The table on page 214 shows receipts and expenditures on this basis. The current assets and liabilities of the Treasury and the outstanding public debt are also available on this basis.

Warrants issued (receipts).—Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be indorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the Public Treasury shall be valid. The issuance of warrants by the Secretary of the Treasury, as provided by law, represents the formal covering of receipts into the Treasury.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which covering warrants are based, can not reach the Treasury simultaneously, and for that reason all receipts for a fiscal year can not be covered into the Treasury by warrants of the Secretary immediately upon the close of that fiscal year. It is necessary to have all certificates of deposit before a statement can be issued showing the total receipts for a particular fiscal year on a warrant basis. The figures thus compiled will agree with the figures compiled on the basis of daily Treasury statements (revised). The details in Table 2 (p. 343) show receipts on this basis.

Warrants issued (expenditures).—The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of

appropriations made by law. Section 305 of the Revised Statutes requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury. As the warrants are issued by the Secretary they are charged against the appropriate appropriations provided by law. Some of these warrants do not represent actual payments to claimants, but are merely advances of funds to be placed to the credit of disbursing officers of the Government with the Treasurer of the United States for the payment of Government obligations. The disbursing officer then issues his check on the Treasurer in payment of such obligations. As far as the approriation accounts are concerned, the warrants issued and charged thereto constitute expenditures, but it will be observed that such expenditures necessarily include unexpended balances to the credit of the disbursing officers. Under normal conditions these balances over a period of several years fluctuate very little in the aggregate, and the difference between the total expenditures on a warrant basis and a cash basis (revised) is immaterial. Statement of the expenditures on a warrant basis from 1789 to 1915 is shown on page 362 of this report.

Checks issued (expenditures).—This basis, more than any other, reflects the real expenditures of the Government. Expenditures for a given fiscal year on the basis of checks issued differ from the corresponding figures on the basis of warrants in that the former include expenditures made by disbursing officers from credits granted during the previous fiscal year, and exclude the amount of unexpended grants remaining to their credit at the end of the fiscal year. The basis of checks issued differs from the basis of the daily Treasury statement (revised) in that the former includes checks outstanding at the end of the fiscal year, and excludes unpaid checks outstanding at the beginning of the fiscal year. A detailed explanation of the basis of checks issued will be found on page 89 of the Secretary's report for 1927. Table 3 (page 350) shows expenditures on this basis.

Collections reported by collecting officers (receipts).—Statements showing receipts on a collection basis are compiled from reports received by the various administrative offices from collecting officers in the field, such as collectors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers during the period specified. The collections are then deposited in a designated Government depositary to the credit of the Treasurer of the United States, which depositary renders a report to the Treasurer. The reports of the collecting officers and the depositaries do not, of course, coincide, for the reason that the collecting officers make collections during the last few days of the fiscal year which are not deposited until after the close of the fiscal year. On this account the two reports will not agree. The receipts are reported on a collection basis merely for statistical purposes and to furnish information as to detailed sources of revenue. Classification of such items on the basis of deposits has been found to be impracticable and uneconomical. Tables 8 and 15 (pp. 375 and 387) show receipts on a collection basis.

DESCRIPTION OF FUND ACCOUNTS THROUGH WHICH TREASURY OPERATIONS ARE EFFECTED

All receipts of the Government are covered into the General Fund of the Treasury from which all expenditures are made. Receipts and expenditures, however, are classified in the Treasury's records according to the class of accounts through which operations are effected. Transactions are segregated in order to exhibit separately those effected through general fund accounts, as contrasted with those effected through special fund and trust fund accounts representing restricted or specially allocated receipts and expenditures chargeable thereto. This classification was first shown in published records for 1927 for the warrants and checks-issued bases and on the daily Treasury statements beginning with the July 1, 1930, issue, in order to conform to the practice of the Bureau of the Budget. In some tables in this report, however, transactions in the three types of accounts are combined for purposes of historical comparison. A brief general explanation of the three classes of accounts is presented below.

General fund accounts.—The principal sources of general fund account receipts are income taxes, miscellaneous internal revenue, and customs duties. In addition, a large number of miscellaneous receipts come under this head including such items as proceeds of Government-owned securities (except those which are applicable to public debt retirement), sale of surplus and condemned property, Panama Canal tolls, fees (including consular and passport fees), fines, penalties, forfeitures, rentals, royalties, reimbursements, immigration head tax, sale of

public land, tax on national bank circulation, interest on public deposits, seigniorage on coinage of subsidiary silver and minor coins, etc. Moneys represented in the general fund accounts may be withdrawn from the Treasury only in pursuance of appropriations made by Congress. There are four classes of appropriations payable through the general fund accounts of the Treasury, namely: (*a*) Annual, being those made each year in the several departmental supply bills and limited for obligation during the fiscal year for which made; (*b*) continuing (no-year), being available until expended or until the object for which appropriated has been accomplished, such as construction of public works; (*c*) permanent-specific, being fixed amounts provided for each of a series of years by permanent legislation, without annual action of Congress; and (*d*) permanent-indefinite, being indefinite amounts (so much as may be necessary) provided by permanent legislation without annual action of Congress, such as the indefinite appropriation to cover interest on the public debt.

A statement of general fund receipts and expenditures is, therefore, in the nature of a general operating statement, and gives a picture of the relationship between the general revenues of the Government and the operating expenditures (including capital outlays and fixed charges) chargeable against them.

Special fund accounts.—Special fund account receipts may be generally defined as funds received under special authorizations of law which may be expended only for the particular purposes specified therein. Special fund account receipts may not be used for the general expenditures of the Government. The most important items of receipts included under this heading, from the standpoint of amounts, are those applicable to the retirement of the public debt. Other important special fund receipts are the reclamation fund under the Department of the Interior, funds received for river and harbor improvements, Forest Service cooperative funds, proceeds from sales of ships, etc., by the United States Shipping Board available for construction loans, assessments on Federal reserve banks for salaries and expenses of the Federal Reserve Board, and assessments upon national banks for expenses of examinations. There are many other special fund receipts of lesser importance.

Trust fund accounts.—Trust fund account receipts represent moneys received by the Government for the benefit of individuals or classes of individuals. Moneys held in trust, being payable to or for the use of beneficiaries only, are not available for general expenditures of the Government. There are several classes of trust fund receipts, the beneficiaries under which may be either individuals or groups of individuals. The funds may represent, (*a*) moneys received directly from or for account of individuals, as in the case of moneys received from foreign governments or other sources in trust for citizens of the United States or others under the act of February 27, 1896; (*b*) moneys collected as revenues and held in trust, such as the proceeds of sales of Indian lands which are held as interest-bearing funds for the benefit of Indian tribes; and (*c*) proceeds of grants from the general fund accounts of the Treasury in pursuance of treaty or other obligations such as the perpetual trust fund created for the Ute Indians under section 5 of the act of June 15, 1880.

TABLES

RECEIPTS AND EXPENDITURES

General tables

TABLE 1.—*Receipts and expenditures for the fiscal year 1932, by funds*

[Details of receipts on basis of warrants and expenditures on basis of checks issued, with totals adjusted to basis of daily Treasury statements (unrevised), see p. 337]

(In the third column, transactions in general and special funds are combined, exclusive of trust fund transactions, to conform to the practice of the Bureau of the Budget; add trust fund items for purposes of comparison with corresponding data for total receipts, expenditures, surpluses, or deficits, as published in annual reports prior to 1931. For explanation of funds, see p. 338)

	General fund	Special funds [1]	Total general and special funds [1]	Trust funds [2]
RECEIPTS				
Revenue receipts:				
Internal revenue	$1, 559, 240, 696. 92	$372, 648. 73	$1, 559, 613, 345. 65	
Customs (excluding tonnage tax)	327, 551, 175. 70	2, 598. 00	327, 553, 773. 70	
Miscellaneous—				
Miscellaneous taxes	5, 775, 511. 65	32, 101. 67	5, 807, 613. 32	
Interest, exchange, and dividends on capital stock	9, 907, 017. 70	50, 013. 14	9, 957, 030. 84	
Fines and penalties	5, 186, 599. 62	431, 930. 78	5, 618, 530. 40	
Fees	11, 303, 681. 86	4, 563, 648. 23	15, 867, 330. 09	
Forfeitures	1, 064, 800. 08	53, 000. 00	1, 117, 800. 08	
Assessments	393, 654. 77	5, 323, 736. 82	5, 717, 391. 59	
Reimbursements	2, 862, 780. 26	3, 714, 862. 48	6, 577, 642. 74	
Gifts and contributions	4, 322. 41	5, 332, 206. 76	5, 336, 529. 17	
Sales of Government property—products	3, 443, 040. 25	36, 305. 55	3, 479, 345. 80	
Sales of services	23, 458, 569. 38	1, 732, 972. 50	25, 191, 541. 88	
Rents and royalties	1, 718, 166. 59	2, 931, 252. 49	4, 649, 419. 08	
Permits, privileges, and licenses	1, 390, 475. 72	562, 541. 19	1, 953, 016. 91	
Mint receipts (profits on coinage, bullion deposits, etc.)	812, 469. 31		812, 469. 31	
Forest reserve fund	1, 511, 619. 11	850, 285. 76	2, 361, 904. 87	
Postal receipts, Panama Canal	242, 300. 56		242, 300. 56	
United States revenues from District of Columbia sources	66, 970. 75		66, 970. 75	
Total miscellaneous	69, 141, 980 02	25, 614, 857. 37	94, 756, 837. 39	
Total revenue receipts	1, 955, 933, 852. 64	25, 990, 104. 10	1, 981, 923, 956. 74	
Nonrevenue receipts:				
Realization upon assets—				
Repayments of investments	17, 434, 749. 88		17, 434, 749. 88	
Sales of public lands	54, 218. 32	116, 120. 77	170, 339. 09	
Sales of Government property	1, 412, 709. 71	2, 933, 191. 60	4, 345, 901. 31	
Trust funds (exclusive of District of Columbia)				$78, 374, 864. 10
District of Columbia, revenues, taxes, trust funds, etc	(3)			35, 843, 078. 09
Total nonrevenue receipts	18, 901, 677. 91	3, 049, 312. 37	21, 950, 990. 28	114, 217, 942. 19
	1, 974, 835, 530. 55	29, 039, 416. 47	2, 003, 874, 947. 02	114, 217, 942. 19
Unclassified (June deposits cleared and counter-entered in July)	9. 80		9. 80	
Total ordinary receipts on basis of warrants issued	1, 974, 835, 540. 35	29, 039, 416. 47	2, 003, 874, 956. 82	114, 217, 942. 19
Adjustment to basis of daily Treasury statements (unrevised)	1, 710, 302. 09	140, 178. 23	1, 850, 480. 32	1, 284, 626. 72
Total ordinary receipts on basis of daily Treasury statements (unrevised)	1, 976, 545, 842. 44	29, 179, 594. 70	2, 005, 725, 437. 14	115, 502, 568. 91
Excess of expenditures chargeable against ordinary receipts	2, 837, 376, 756. 46	42, 807, 492. 53	[4] 2, 880, 184, 248. 99	5, 178, 050. 03
Public debt receipts on basis of warrants issued	9, 634, 225, 956. 11		9, 634, 225, 956. 11	
Adjustment to basis of daily Treasury statements (unrevised)	200, 000. 00		200, 000. 00	
Public debt receipts on basis of daily Treasury statements (unrevised)	9, 634, 425, 956. 11		9, 634, 425, 956. 11	
EXPENDITURES				
General expenditures:				
Legislative establishment	27, 787, 360. 81	258, 923. 27	28, 046, 284. 08	
Executive Office	421, 927. 15		421, 927. 15	
Veterans' Administration [5]	787, 632, 279. 88		787, 632, 279. 88	74, 621, 772. 43
Shipping Board	5, 036, 257. 90	47, 244, 680. 44	52, 280, 938. 34	
Other independent offices and commissions	49, 699, 004. 48	2, 302, 408. 57	52, 001, 413. 05	96, 847. 41

For footnotes, see p. 342.

TABLE 1.—*Receipts and expenditures for the fiscal year 1932, by funds*—Continued

	General fund	Special funds	Total general and special funds	Trust funds
EXPENDITURES—continued				
General expenditures—Continued.				
Department of Agriculture	$301, 455, 149. 87	$4, 218, 723. 27	$305, 673, 873. 14	
Department of Commerce	48, 396, 441. 60	4, 011, 849. 26	52, 408, 290. 86	
Department of the Interior [6]	71, 788, 135. 59	10, 256, 690. 23	82, 044, 825. 82	$10, 104, 003. 42
Department of Justice	51, 430, 877. 60		51, 430, 877. 60	738, 116. 87
Department of Labor	14, 349, 558. 59	386, 633. 58	14, 736, 192. 17	541. 00
Navy Department	353, 737, 263. 63	374, 657. 92	354, 111, 921. 55	193, 129. 27
Post Office Department	130, 200. 64		130, 200. 64	
Department of State	18, 963, 820. 49	*120, 386. 79*	18, 843, 433. 70	394, 448. 59
Treasury Department	276, 674, 281. 67	2, 884, 922. 37	279, 559, 204. 04	*199, 435. 31*
War Department [7]	463, 123, 310. 34	4, 238, 353. 20	467, 361, 663. 54	1, 420, 633. 50
Total	2, 470, 625, 870. 24	76, 057, 455. 32	2, 546, 683, 325. 56	87, 370, 057. 18
Public debt:				
Interest	599, 722, 595. 24		599, 722, 595. 24	
Sinking fund	412, 554, 750. 00		412, 554, 750. 00	
Purchase and retirements from franchise tax receipts (Federal intermediate credit banks)		21, 000. 00	21, 000. 00	
Estate taxes		1, 000. 00	1, 000. 00	
Forfeitures, gifts, etc		53, 000. 00	53, 000. 00	
Refund of receipts:				
Customs	16, 866, 862. 42	11, 984. 03	16, 878, 846. 45	
Internal revenue and industrial alcohol	83, 762, 578. 20	398, 863. 89	84, 161, 442. 09	
Postal deficiency	202, 876, 340. 63		202, 876, 340. 63	
Panama Canal	10, 234, 423. 04		10, 234, 423. 04	
Stock of Reconstruction Finance Corporation	500, 000, 000. 00		500, 000, 000. 00	
Additional stock of Federal land banks	125, 000, 000. 00		125, 000, 000. 00	
Agricultural marketing fund (net)	136, 519, 442. 53		136, 519, 442. 53	
Adjusted service certificate fund	200, 000, 000. 00		200, 000, 000. 00	*11, 373, 912. 99*
Civil service retirement fund	20, 850, 000. 00		20, 850, 000. 00	*140, 634. 55*
Government life insurance fund				([8])
Foreign service retirement fund	215, 000. 00		215, 000. 00	2, 324. 12
District of Columbia	[9] 9, 442, 318. 45		9, 442, 318. 45	39, 575, 592. 28
Total expenditures chargeable against ordinary receipts on basis of checks issued	4, 788, 670, 180. 75	76, 543, 303. 24	4, 865, 213, 483. 99	115, 433, 426. 04
Adjustment to basis of daily Treasury statements (unrevised)	25, 252, 418. 15	*4, 556, 216. 01*	20, 696, 202. 14	5, 247, 192. 90
Total expenditures chargeable against ordinary receipts on basis of daily Treasury statements (unrevised)	4, 813, 922, 598. 90	71, 987, 087. 23	4, 885, 909, 686. 13	120, 680, 618. 94
Public debt expenditures (exclusive of $412,629,750 chargeable against ordinary receipts as above) on basis of warrants issued	6, 536, 071, 583. 94		6, 536, 071, 583. 94	
Adjustment to basis of daily Treasury statements (unrevised)	3, 669. 75		3, 669. 75	
Public debt expenditures on basis of daily Treasury statements (unrevised)	6, 536, 075, 253. 69		6, 536, 075, 253. 69	
Reconstruction Finance Corporation:	267, 735, 208. 55		267, 735, 208. 55	

Net payments from credits established on account of purchase by the Secretary of the Treasury of obligations of Reconstruction Finance Corporation under sec. 9 of Reconstruction Finance Corporation act (treated as public debt transactions in accordance with act. See p. 69.)

NOTE.—Excess credits and adjustments in italics to be deducted.

[1] Exclusive of District of Columbia special and trust funds.
[2] Includes District of Columbia special and trust funds.
[3] United States revenues from District of Columbia sources stated under revenue receipts above.
[4] Add excess of trust fund expenditures over trust fund receipts for comparison with surpluses and deficits as published in annual reports for years prior to 1931.
[5] Includes the Bureau of Pensions and National Homes for Disabled Volunteer Soldiers.
[6] Exclusive of Bureau of Pensions. See note 5.
[7] Exclusive of National Homes for Disabled Volunteer Soldiers. See note 5.
[8] Included under Veterans' Administration above. For details see p. 115.
[9] $9,500,000 less $57,681.55 reimbursements to the general fund on account of prior year transactions.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*

[Details on basis of warrants issued with totals adjusted to basis of daily Treasury statements (unrevised), see p. 337]

(In the third column, transactions in general and special funds are combined, exclusive of trust fund transactions, to conform to the practice of the Bureau of the Budget; add trust fund items for purposes of comparison with corresponding data for total receipts as published in earlier annual reports. For explanation of funds, see p. 338.)

Source	General fund	Special funds	Total general and special funds	Trust funds
REVENUE				
Internal revenue:				
Income taxes	$1,056,749,083.23	$7,614.31	$1,056,756,697.54	
Miscellaneous internal revenue taxes	502,139,696.47	365,034.42	502,504,730.89	
Collections under enforcement of national prohibition act [1]	351,917.22		351,917.22	
Total internal revenue, warrants-issued basis	1,559,240,696.92	372,648.73	1,559,613,345.65	
Adjustment between warrants issued and cash receipts	1,410,660.12	*17,671.39*	1,392,988.73	
Total internal revenue, cash receipts	1,560,651,357.04	354,977.34	1,561,006,334.38	
Customs:				
Duties	327,551,175.70	2,598.00	327,553,773.70	
Tonnage tax	(2)	(2)		
Total customs, warrants-issued basis	327,551,175.70	2,598.00	327,553,773.70	
Adjustment between warrants issued and cash receipts	201,215.45	*20.03*	201,195.42	
Total customs, cash receipts	327,752,391.15	2,577.97	327,754,969.12	
Miscellaneous:				
Miscellaneous taxes—				
Federal intermediate credit banks franchise tax		21,294.27	21,294.27	
Tax on deficiencies in gold reserves of Federal reserve banks	256.92		256.92	
Tax on circulation of national banks	3,175,189.24		3,175,189.24	
Tonnage tax	1,595,390.33	10,807.40	1,606,197.73	
Immigration head tax	918,384.00		918,384.00	
Taxes, licenses, fines, etc., Canal Zone	86,291.16		86,291.16	
Total miscellaneous taxes	5,775,511.65	32,101.67	5,807,613.32	
Interest, exchange, and dividends on capital stock—				
Interest on advance payments to contractors	64,760.62		64,760.62	
Interest on deferred collections or payments	81,212.63		81,212.63	
Interest on farmers' seed loans	1,100,865.83		1,100,865.83	
Interest on Library of Congress trust fund, investment account		36,741.08	36,741.08	
Interest on endowment fund, preservation birth place of Abraham Lincoln		2,040.00	2,040.00	
Interest on public deposits	2,140,419.61		2,140,419.61	
Interest on money loaned from construction loan fund	2,928,590.17		2,928,590.17	
Interest on miscellaneous obligations	199,818.99		199,818.99	
Interest on investment of funds contributed for American National Red Cross Building		7,729.12	7,729.12	
Interest on investments, National Institute of Health conditional gift fund		3,480.14	3,480.14	
Gain by exchange	432.15	22.80	454.95	
Dividends on capital stock of the Panama Railroad owned by the United States	700,000.00		700,000.00	
Military and naval insurance, Veterans' Administration, 1932 and prior years (repayments to appropriations)	[3] 306,519.90		306,519.90	

For footnotes, see p. 349.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*—Con.

Source	General fund	Special funds	Total general and special funds	Trust funds
REVENUE—continued				
Miscellaneous—Continued.				
Interest, exchange, etc.—Contd.				
Federal control of transportation systems (repayments to appropriations)	[3] $25,402.02		$25,402.02	
Loans to railroads after termination of Federal control (repayments to appropriations)	[3] 652,426.25		652,426.25	
Discount on Treasury bonds redeemed and purchased	1,706,569.53		1,706,569.53	
Total interest, exchange, and dividends on capital stock	9,907,017.70	$50,013.14	9,957,030.84	
Fines and penalties—				
Judicial	539,279.25		539,279.25	
Customs Service	1,221,934.81		1,221,934.81	
Immigration Service	100,688.84		100,688.84	
Enforcement of national prohibition act (Judicial)[1]	3,220,501.28		3,220,501.28	
Navigation	42,354.94		42,354.94	
Liquidated damages	33,583.31		33,583.31	
Navy fines and forfeitures		431,930.78	431,930.78	
Other	28,257.19		28,257.19	
Total fines and penalties	5,186,599.62	431,930.78	5,618,530.40	
Fees—				
Agricultural commodities act	147,020.17		147,020.17	
Clerks, United States courts	1,661,254.19		1,661,254.19	
Board of Tax Appeals	78,849.65		78,849.65	
Commissions on telephone pay stations in Federal buildings and rented post offices	67,407.38		67,407.38	
Alaska game laws	22,075.51		22,075.51	
Consular and passport	4,765,414.97		4,765,414.97	
Copying	27,554.95		27,554.95	
Copyright	280,091.30		280,091.30	
Immigration (registration)	304,480.00		304,480.00	
Indian lands and timber	84,993.74		84,993.74	
Land offices (including commissions)	72,846.39	264,500.50	337,346.89	
Marshals, United States courts	184,135.24		184,135.24	
Naturalization	3,093,558.00		3,093,558.00	
Naval stores grading	9,917.81		9,917.81	
Navigation	188,551.81		188,551.81	
Patent	100,538.80	4,299,147.73	4,399,686.53	
Purchase of discharges, Navy and Marine Corps	4,890.99		4,890.99	
Testing	67,514.37		67,514.37	
Warehouse act	28,010.00		28,010.00	
Other	114,576.59		114,576.59	
Total fees	11,303,681.86	4,563,648.23	15,867,330.09	
Forfeitures—				
Bonds of aliens, contractors, etc	355,166.37	53,000.00	408,166.37	
Bribes to United States officers	10,276.67		10,276.67	
Customs Service	156,732.23		156,732.23	
Under enforcement of national prohibition act (Treasury and Judicial)[1]	176,535.43		176,535.43	
Unclaimed moneys and wages remaining in registry of courts	277,549.08		277,549.08	
Unclaimed merchandise	33,691.71		33,691.71	
Unclaimed funds	11,154.38		11,154.38	
Unexplained balances in cash accounts	1,209.06		1,209.06	
Other	42,485.15		42,485.15	
Total forfeitures	1,064,800.08	53,000.00	1,117,800.08	
Assessments—				
Colorado River Dam fund, Boulder Canyon project		15,632.63	15,632.63	
Deposits for establishing wool standards		42,000.00	42,000.00	
Deposits, public survey work, Alaska		3,210.11	3,210.11	
Deposits, public survey work, general		8,961.93	8,961.93	

For footnotes, see p. 349.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*—Con.

Source	General fund	Special funds	Total general and special funds	Trust funds
REVENUE—continued				
Miscellaneous—Continued.				
Assessments—Continued.				
On Federal reserve banks for salaries and expenses, Federal Reserve Board		$1,711,553.48	$1,711,553.48	
On Federal and joint stock land banks, and Federal intermediate credit banks for expenses of examinations, Federal Farm Loan Board	$393,654.77		393,654.77	
On national banks for salaries and expenses of national bank examiners		2,636,376.07	2,636,376.07	
General railroad contingent fund		382,981.83	382,981.83	
German Government's moiety, expenses, Mixed Claims Commission		8,854.61	8,854.61	
Immigration Service overtime		72,155.60	72,155.60	
Naval hospital fund		442,010.56	442,010.56	
Total assessments	393,654.77	5,323,736.82	5,717,391.59	
Reimbursements—				
Construction charges (Indian Service)	24,462.20		24,462.20	
Collections under grain and cotton standards acts	145,264.68	31,027.05	176,291.73	
Maintenance of District of Columbia inmates in Federal penal and correctional institutions	132,405.19		132,405.19	
Refunds on empty containers	4,720.10		4,720.10	
Expenses, miscellaneous	18,580.75		18,580.75	
By contractors for excess cost over contract price	69,832.72		69,832.72	
By State of Arizona for expenditures, nonproduction of cotton zones for 1930 crop losses	163,750.00		163,750.00	
Expenses of redeeming national currency	489,547.75		489,547.75	
Inspection of food and farm products	289,258.87		289,258.87	
Deductions from awards of Mixed Claims Commission, United States and Germany, to cover reimbursement for expenses incurred by United States in respect thereof, settlement of war claims act of 1928	67,772.63		67,772.63	
Gasoline State tax	10,107.14		10,107.14	
Government property lost or damaged	64,441.10		64,441.10	
Hospitalization charges and expenses	82,502.88		82,502.88	
Expense of international service of ice observations and patrol	90,232.69		90,232.69	
Costs from estates of deceased Indians	53,730.39		53,730.39	
Maintenance and operation charges, irrigation systems, Indian Service		333,258.10	333,258.10	
Of appropriations made for Indian tribes	84,608.59		84,608.59	
Settlement of claims	9,713.88		9,713.88	
Collections, reclamation fund		3,326,717.88	3,326,717.88	
Auxiliary reclamation fund, Yuma project, Arizona		23,859.45	23,859.45	
By District of Columbia for advances for acquisition of lands under sec. 4, act May 29, 1930, as amended	1,000,000.00		1,000,000.00	
Other	61,848.70		61,848.70	
Total reimbursements	2,862,780.26	3,714,862.48	6,577,642.74	
Gifts and contributions—				
Forest Service cooperative work		2,125,245.46	2,125,245.46	
Library of Congress gift fund		222,986.68	222,986.68	

For footnotes, see p. 349.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*—Con.

Source	General fund	Special funds	Total general and special funds	Trust funds
REVENUE—continued				
Miscellaneous—Continued.				
Gifts and contributions—Con.				
Library of Congress trust fund, investment account		$2,634.17	$2,634.17	
For American National Red Cross Building (proceeds of investments)		239,748.67	239,748.67	
Moneys received from known and unknown persons	$2,924.88		2,924.88	
Donations to the United States	1,397.53		1,397.53	
Donations, National Park Service		14,269.50	14,269.50	
For National Institute of Health, conditional gift fund		56.00	56.00	
For chapel, Federal Industrial Institution for Women		57.18	57.18	
For topographic survey of the United States		10,000.00	10,000.00	
Contributions for river and harbor improvements		925,018.02	925,018.02	
Advance of funds for river and harbor improvements		850,000.00	850,000.00	
Contributions for flood control		742,264.30	742,264.30	
For paving road, Fort Sill Military Reservation, Okla		73,528.62	73,528.62	
For paving Lafayette extension road		11,479.85	11,479.85	
For roads, bridges, and related works, Alaska		114,918.31	114,918.31	
Total gifts and contributions	4,322.41	5,332,206.76	5,336,529.17	
Sales of Government property—products—				
Scrap and salvaged materials, condemned stores, waste paper, refuse, etc	1,443,819.86		1,443,819.86	
Agricultural products, including livestock and livestock products	49,870.75		49,870.75	
Dairy products	41,325.28		41,325.28	
Card indexes, Library of Congress	248,082.83		248,082.83	
Public documents, charts, maps, etc	281,222.69		281,222.69	
Electric current, power plant, Coolidge Dam, Ariz		36,305.55	36,305.55	
Electric current (Dam No. 2, Muscle Shoals, Ala., $698,098.04)	766,890.69		766,890.69	
Seal and fox skins and furs	146,984.91		146,984.91	
Heat, light, and power (Capitol power plant)	164,789.18		164,789.18	
Gas from helium plants	30,462.00		30,462.00	
Ice	61,225.93		61,225.93	
Occupational therapy products	78,463.31		78,463.31	
Subsistence (meals, rations, etc.)	28,260.90		28,260.90	
Water	56,204.32		56,204.32	
Other	45,437.60		45,437.60	
Total sales of Government property-products	3,443,040.25	36,305.55	3,479,345.80	
Sales of services—				
Alaska Railroad fund		1,466,556.65	1,466,556.65	
Fumigating and disinfecting	12,480.00		12,480.00	
Laundry and dry-cleaning operations	1,083,513.11		1,083,513.11	
Livestock breeding service	2,223.06		2,223.06	
Overhead charges on sales of services or supplies (War and Navy)	96,333.05		96,333.05	
Earnings from business operations (U. S. Housing Corporation)	*18,709.94*		*18,709.94*	
Quarantine charges (including fumigation, disinfection, inspection, etc., of vessels)	293,689.40		293,689.40	
Quarters, subsistence, and laundry service	102,413.17		102,413.17	
Radio service	57,052.75		57,052.75	

For footnotes, see p. 349.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*—Con.

Source	General fund	Special funds	Total general and special funds	Trust funds
REVENUE—continued				
Miscellaneous—Continued.				
Sales of services—Continued.				
Storage and other charges (Center Market, Washington, D. C., $287.48)	$188, 892. 89		$188, 892. 89	
Profits from sale of ships' stores, Navy		$266, 415. 85	266, 415. 85	
Telephone and telegraph	281, 360. 54		281, 360. 54	
Tolls and profits, Panama Canal	21, 285, 778. 65		21, 285, 778. 65	
Work done for individuals, corporations, et al	49, 176. 10		49, 176. 10	
Other	24, 366. 60		24, 366. 60	
Total sales of services	23, 458, 569. 38	1, 732, 972. 50	25, 191, 541. 88	
Rents and royalties—				
Rent of public buildings, grounds, etc	411, 396. 74		411, 396. 74	
Leases, Annette Islands Reserve, Alaska		11, 969. 94	11, 969. 94	
Rent of land	97, 935. 52		97, 935. 52	
Receipts under mineral leasing acts	341, 491. 87	2, 895, 496. 48	3, 236, 988. 35	
Royalties on oil, gas, etc	701, 724. 94	23, 786. 07	725, 511. 01	
Rent of equipment	74, 581. 01		74, 581. 01	
Rent of telegraph and telephone facilities	17, 708. 19		17, 708. 19	
Rent of water power sites	55, 426. 57		55, 426. 57	
Other	17, 901. 75		17, 901. 75	
Total rents and royalties	1, 718, 166. 59	2, 931, 252. 49	4, 649, 419. 08	
Permits, privileges, and licenses—				
Alaska fund		200, 310. 49	200, 310. 49	
Business concessions	224, 840. 01		224, 840. 01	
Fishing and hunting permits	231. 00		231. 00	
Game and bird refuges	1, 067. 91		1, 067. 91	
Immigration permits	347, 125. 69		347, 125. 69	
Licenses under Federal water power act	208, 012. 97	362, 230. 70	570, 243. 67	
Permits to enter national parks	592, 582. 15		592, 582. 15	
Pipe line water and power transmission rights	15, 116. 14		15, 116. 14	
Other	1, 499. 85		1, 499. 85	
Total permits, privileges, and licenses	1, 390, 475. 72	562, 541. 19	1, 953, 016. 91	
Mint receipts (profits on coinage, bullion deposits, etc.)	812, 469. 31		812, 469. 31	
Forest reserve fund	1, 511, 619. 11	850, 285. 76	2, 361, 904. 87	
Postal receipts, Panama Canal	242, 300. 56		242, 300. 56	
United States share of District of Columbia receipts	66, 970. 75		66, 970. 75	
Total miscellaneous revenue receipts	69, 141, 980. 02	25, 614, 857. 37	94, 756, 837. 39	
Total revenue receipts	1, 955, 933, 852. 64	25, 990, 104. 10	1, 981, 923, 956. 74	
NONREVENUE				
Miscellaneous—				
Realization upon assets:				
Repayments of investments—				
Federal control of transportation systems (repayments to appropriations)	[3] 34, 600. 00		34, 600. 00	
Loans to railroads after termination of Federal control, etc. (repayments to appropriations)	[3] 983, 141. 91		983, 141. 91	
Agricultural credits and rehabilitation, emergency relief (repayments to appropriations)	[3] 1, 274, 558. 03		1, 274, 558. 03	
Farmers' seed-grain and feed loans (repayments to appropriations)	[3] 99. 90		99. 90	
Loans to farmers in storm, drought, and flood stricken areas (repayments to appropriations)	[3] 14, 907, 490. 03		14, 907, 490. 03	

For footnotes, see p. 349.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*—Con.

Source	General fund	Special funds	Total general and special funds	Trust funds
NONREVENUE—continued				
Miscellaneous—Continued.				
Realization upon assets—Contd.				
Repayments of investments—Continued.				
Return of advances made to reclamation fund	(4)			
Liquidation of capital stock, Federal land banks	$61,793.75		$61,793.75	
Reimbursement of relief moneys furnished to American citizens in Europe	47.70		47.70	
Principal of Government-owned securities, sale of war supplies	92,497.20		92,497.20	
Construction costs of public works in Colon and Panama	70,288.36		70,288.36	
Other	10,233.00		10,233.00	
Total repayments of investments	17,434,749.88		17,434,749.88	
Sales of public lands	54,218.32	$116,120.77	170,339.09	
Sales of Government property—				
Capital equipment, includes trucks, horses, cars, machinery, furniture and fixtures, and other capital equipment	204,919.76		204,919.76	
Land and buildings	344,880.48	6,552.70	351,433.18	
Lands, etc., on account of naval public works construction fund		1,860.38	1,860.38	
Lands, etc., on account of military post construction fund		852,588.65	852,588.65	
Office material, etc. (General Supply Committee)	13,033.15		13,033.15	
War supplies	791,105.63		791,105.63	
Coos Bay wagon-road grant fund	54,121.34	17,459.96	71,581.30	
Oregon and California land-grant fund		166,667.01	166,667.01	
Funds received from sales of ships, etc., and deposited for construction loans under sec. 11, merchant marine act, 1920 (41 Stat. 1451)		[5] 1,839,849.92	1,839,849.92	
Ordnance material (war)		36,650.84	36,650.84	
Other	4,649.35	11,562.14	16,211.49	
Total sales of Government property	1,412,709.71	2,933,191.60	4,345,901.31	
Trust funds—				
Government life insurance fund				$72,003,100.54
Deposits, general post fund, National Homes, Veterans' Administration				370,995.88
Deposits, Horatio Ward fund, National Homes, Veterans' Administration				.57
Funds to pay matured obligations of the D. C.				110,383.95
Relief and rehabilitation, and interest on investments, Employees' Compensation Commission				31,919.51
Deposits of commissary funds, Federal prisons				139,129.88
Deposits of funds of Federal prisoners				702,376.24
Pension money, St. Elizabeths Hospital				99,205.68
Personal funds of patients, St. Elizabeths Hospital				152,221.87
Pay of the Navy, deposit fund				42,622.68
Pay of the Marine Corps, deposit fund				163,992.91
Navy pension fund, principal				2,016.07
Pay of the Army, deposit fund				963,840.37
Soldiers' Home permanent fund				398,275.00
Proceeds from estates of deceased soldiers				46,372.08

For footnotes, see p. 349.

TABLE 2.—*Details of receipts, by sources and funds, for the fiscal year 1932*—Con.

Source	General fund	Special funds	Total general and special funds	Trust funds
NONREVENUE—continued				
Miscellaneous—Continued.				
Trust funds—Continued.				
Indian moneys—				
Proceeds of labor, act June 13, 1930				$894, 990. 90
Proceeds of labor, agencies, schools, etc				173, 580. 92
Oil and gas leases, etc., Osage Reservation, Okla				1, 573, 517. 46
Miscellaneous (Indians)				55. 86
Proceeds of sales and leases of Indian lands, etc				447, 923. 79
Miscellaneous trust funds				58, 341. 94
Total trust funds				78, 374, 864. 10
District of Columbia—				
Revenue receipts—				
District of Columbia share				33, 125, 481. 98
United States share	(6)			
				33, 125, 481. 98
Nonrevenue receipts—				
District of Columbia share				2, 717, 596. 11
Total District of Columbia receipts				[7] 35, 843, 078. 09
Total nonrevenue receipts	$18, 901, 677. 91	$3, 049, 312. 37	$21, 950, 990. 28	114, 217, 942. 19
Total miscellanous revenue receipts	69, 141, 980. 02	25, 614, 857. 37	94, 756, 837. 39	
Total miscellaneous revenue and nonrevenue receipts, including Panama Canal and sales of public lands, warrants-issued basis	88, 043, 657. 93	28, 664, 169. 74	116, 707, 827. 67	114, 217, 942. 19
Adjustment to basis of daily Treasury statements (unrevised)	98, 436. 32	515, 424. 96	613, 861. 28	1, 284, 626. 72
Total miscellaneous revenue and nonrevenue receipts, including Panama Canal and sales of public lands, cash basis	88, 142, 094. 25	29, 179, 594. 70	117, 321, 688. 95	115, 502, 568. 91
Total ordinary receipts, warrants-issued basis—				
Revenue receipts	1, 955, 933, 852. 64	25, 990, 104. 10	1, 981, 923, 956. 74	
Nonrevenue receipts	18, 901, 677. 91	3, 049, 312. 37	21, 950, 990. 28	114, 217, 942. 19
	1, 974, 835, 530. 55	29, 039, 416. 47	2, 003, 874, 947. 02	114, 217, 942. 19
Unclassified (June deposits, cleared and counter-entered in July)	9. 80		9. 80	
Total ordinary receipts, warrants-issued basis	1, 974, 835, 540. 35	29, 039, 416. 47	2, 003, 874, 956. 82	114, 217, 942. 19
Adjustment to basis of daily Treasury statements (unrevised)	1, 710, 302. 09	140, 178. 23	1, 850, 480. 32	1, 284, 626. 72
Total ordinary receipts on basis of daily Treasury statements (unrevised)	1, 976, 545, 842. 44	29, 179, 594. 70	2, 005, 725, 437. 14	115, 502, 568. 91

NOTE.—Excess credits and adjustments in italics to be deducted.

1 Collections under national prohibition act, amounting to $3,748,953.93 were made as follows: Under Internal Revenue, $351,917.22, under miscellaneous receipts, fines, and penalties, $3,220,501.28, and forfeitures, $176,535.43. (See pp. 343 and 344.)

2 Shown under "Miscellaneous taxes" following.

3 Items of this character represent cash receipts credited to appropriation.

4 The act of Apr. 1, 1932 (47 Stat. 78) suspended reimbursement of $1,000,000 annually to the general fund of the Treasury until July 1, 1934.

5 Exclusive of $1,633,105.73 transferred on Oct. 13, 1931, from the checking account of the United States Shipping Board on the books of the Treasurer of the United States to the warrant account on the books of the Secretary of the Treasury, and covered into the Treasury by miscellaneous receipt covering warrant under the title, "Funds deposited for construction loans under sec. 11, merchant marine act, 1920, special fund." This transfer of funds from checking account to warrant account is merely an adjustment between accounts in this fiscal year of cash transactions occurring in prior fiscal years. Accordingly, the item has not been included in either the receipts or expenditures of this report, inasmuch as it did not affect the cash in the Treasury during the current fiscal year.

6 The item of $66,970.75 United States revenue is shown under revenue receipts, p. 347.

7 Exclusive of $66,970.75 United States revenue from District of Columbia sources.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*

[Details on basis of checks issued, totals adjusted to daily Treasury statements (unrevised), see p. 337]

(In the third column, transactions in general and special funds are combined, exclusive of trust fund transactions to conform to the practice of the Bureau of the Budget; add trust fund items for purposes of comparison with corresponding data for total expenditures, surpluses or deficits as published in earlier annual reports. For explanation of funds, see p. 338.)

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
LEGISLATIVE				
United States Senate	$3,395,784.24		$3,395,784.24	
House of Representatives	8,290,784.33		8,290,784.33	
Legislative, miscellaneous		$9.69	9.69	
Architect of the Capitol	9,800,979.39		9,800,979.39	
Botanic Garden	174,777.08		174,777.08	
Library of Congress	2,170,929.26	258,913.58	2,429,842.84	
Government Printing Office	3,954,106.51		3,954,106.51	
Total Legislative, checks-issued basis	27,787,360.81	258,923.27	28,046,284.08	
Adjustment between checks issued and cash expenditures	*727,425.82*	*257.10*	*727,682.92*	
Total Legislative, cash basis	27,059,934.99	258,666.17	27,318,601.16	
EXECUTIVE OFFICE				
Executive Office, checks-issued basis	421,927.15		421,927.15	
Adjustment between checks issued and cash expenditures	2,618.47		2,618.47	
Total Executive Office, cash basis	424,545.62		424,545.62	
INDEPENDENT OFFICES [1]				
Alaska relief funds		(2)		
Alien Property Custodian				$72,965.15
American Battle Monuments Commission	466,847.49		466,847.49	
American National Red Cross	359,846.35	247,488.39	607,334.74	
Arlington Memorial Bridge Commission	1,562,451.11		1,562,451.11	
Board of Mediation	196,525.64		196,525.64	
Board of Tax Appeals	605,038.38		605,038.38	
Bureau of Efficiency	159,386.82		159,386.82	
Civil Service Commission	1,538,158.57		1,538,158.57	
Commission of Fine Arts	9,768.08		9,768.08	
Employees' Compensation Commission	4,679,415.64		[3] 4,679,415.64	23,882.26
Federal Board for Vocational Education	9,883,086.44		9,883,086.44	
Federal Farm Board	1,360,567.97		1,360,567.97	
Agricultural marketing fund	(4)			
Federal Oil Conservation Board	9,922.93		9,922.93	
Federal Power Commission	262,197.36	70,567.21	332,764.57	
Federal Radio Commission	415,381.68		415,381.68	
Federal Reserve Board		1,744,718.47	1,744,718.47	
Federal Trade Commission	1,714,680.79		1,714,680.79	
General Accounting Office	4,274,472.17		4,274,472.17	
Housing Corporation	(5)			
Interstate Commerce Commission	8,750,341.28	307,790.54	9,058,131.82	
National Advisory Committee for Aeronautics	1,112,463.56		1,112,463.56	
National Capital Park and Planning Commission	2,406,803.76		2,406,803.76	
Office of War Claims Arbiter		8,071.62	8,071.62	
Personnel Classification Board	183,187.80		183,187.80	
Puerto Rican Hurricane Relief Commission	2,183,030.17		2,183,030.17	
Public Buildings and Public Parks of the National Capital	5,042,520.27	16,366.03	5,058,886.30	
Railroad administration and transportation act	*2,177,950.31*		*2,177,950.31*	
Reconstruction Finance Corporation	(4)			
Smithsonian Institution	405,180.79	*92,593.69*	312,587.10	
National Museum	795,109.79		795,109.79	
United States Food Administration	5.17		5.17	
United States Geographic Board	9,622.07		9,622.07	
United States Shipping Board	(6)	(6)		
United States Supreme Court Building Commission	488,038.24		488,038.24	

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
INDEPENDENT OFFICES—contd.				
United States Tariff Commission	$1,192,884.26		$1,192,884.26	
War Finance Corporation	*12,416.83*		*12,416.83*	
Miscellaneous commissions, boards, etc.:				
George Rogers Clark Sesquicentennial Commission	450,945.35		450,945.35	
George Washington Bicentennial Commission	727,608.29		727,608.29	
International Trade Exhibition	43,087.96		43,087.96	
Investigation of enforcement of prohibition and other laws	65,094.56		65,094.56	
Mount Rushmore National Memorial Commission	17,062.76		17,062.76	
National Sesquicentennial Exhibition Commission	*3.05*		*3.05*	
Nitrate plants, plan for disposition	17,029.38		17,029.38	
Protection of interests of United States in oil leases and oil lands	131,041.91		131,041.91	
Public Buildings Commission	182,293.75		182,293.75	
United States-Yorktown Sesquicentennial Commission	174,558.10		174,558.10	
War Policies Commission	13,718.03		13,718.03	
Total independent offices, exclusive of U. S. Shipping Board, Veterans' Administration and operations under special items, per note 4, checks-issued basis	49,699,004.48	$2,302,408.57	52,001,413.05	$96,847.41
Adjustment between checks issued and cash expenditures	661,883.54	*118,025.95*	543,857.59	148,029.02
Total independent offices, exclusive of U. S. Shipping Board, and Veterans' Administration, cash basis [1]	50,360,888.02	2,184,382.62	52,545,270.64	244,876.43
U. S. Shipping Board:				
U. S. Shipping Board, checks-issued basis	5,036,257.90	47,244,680.44	52,280,938.34	
Adjustment between checks issued and cash expenditures	1,512,700.55	*2,252,812.22*	*740,111.67*	
Total U. S. Shipping Board, cash basis	6,548,958.45	44,991,868.22	51,540,826.67	
Veterans' Administration:				
Salaries and expenses	[7] 102,645,076.44		102,645,076.44	
Adjusted service certificate fund	([4])		([4])	
Adjusted service and dependent pay	2,480,836.42		2,480,836.42	
Civil service retirement and disability fund	([4])		([4])	
Canal Zone retirement fund				*17,159.70*
Hospital and domiciliary facilities and services	12,047,696.40		12,047,696.40	
Military and naval compensation	313,269,171.63		313,269,171.63	
Military and naval insurance	123,869,655.97		123,869,655.97	
Printing and binding	174,267.31		174,267.31	
Army and Navy pensions	232,504,239.44		232,504,239.44	
State and Territorial homes for disabled soldiers and sailors	785,946.91		785,946.91	
Government life insurance fund [8]				73,926,657.63
Miscellaneous items	1,772.99		1,772.99	1,010,372.13
Special deposit accounts	*146,383.63*		*146,383.63*	*298,097.63*
Total Veterans' Administration, exclusive of adjusted service certificate fund, and civil service retirement and disability fund, checks-issued basis	787,632,279.88		787,632,279.88	74,621,772.43
Adjustment between checks issued and cash expenditures	*2,790,460.28*		*2,790,460.28*	*340,403.09*
Total Veterans' Administration, exclusive of adjusted service certificate fund and civil service retirement and disability fund, cash basis	784,841,819.60		784,841,819.60	74,281,369.34

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
DEPARTMENT OF AGRICULTURE				
Office of the Secretary	$1, 244, 034. 53		$1, 244, 034. 53	
Office of information	1, 334, 691. 64		1, 334, 691. 64	
Library, Department of Agriculture	105, 804. 40		105, 804. 40	
Office of experiment stations	4, 737, 215. 10		4, 737, 215. 10	
Extension service	1, 712, 458. 86		1, 712, 458. 86	
Cooperative agricultural extension work	8, 633, 248. 27		8, 633, 248. 27	
Weather Bureau	3, 936, 363. 23		3, 936, 363. 23	
Bureau of Animal Industry	8, 792, 943. 25		8, 792, 943. 25	
Meat Inspection, Bureau of Animal Industry	5, 092, 747. 20		5, 092, 747. 20	
Bureau of Dairy Industry	740, 313. 65		740, 313. 65	
Bureau of Plant Industry	5, 400, 380. 85		5, 400, 380. 85	
Forest Service	18, 360, 455. 73		18, 360, 455. 73	
Cooperative work, Forest Service		$2, 250, 464. 10	2, 250, 464. 10	
Payment to States and Territories from national forest fund		1, 271, 493. 13	1, 271, 493. 13	
Roads and trails for States, national forests fund		500, 353. 15	500, 353. 15	
Acquisition of lands for protection of watersheds and streams	1, 485, 454. 95		1, 485, 454. 95	
Bureau of Chemistry and Soils	1, 748, 026. 45		1, 748, 026. 45	
Bureau of Entomology	2, 384, 511. 71		2, 384, 511. 71	
Bureau of Biological Survey	2, 033, 768. 26		2, 033, 768. 26	
Bureau of Public Roads, salaries and expenses	50, 782. 21		50, 782. 21	
Road construction	207, 247, 322. 42		207, 247, 322. 42	
Flood relief for restoration of roads and bridges	2, 100, 497. 68		2, 100, 497. 68	
Bureau of Agricultural Economics	6, 274, 454. 75	192, 752. 74	6, 467, 207. 49	
Bureau of Agricultural Engineering	483, 231. 01		483, 231. 01	
Bureau of Home Economics	216, 675. 08		216, 675. 08	
Plant Quarantine and Control Administration	3, 383, 996. 87		3, 383, 996. 87	
Enforcement of the grain futures act	186, 144. 28		186, 144. 28	
Food and Drug Administration	1, 634, 732. 75		1, 634, 732. 75	
Loans to farmers in storm, flood, and drought-stricken areas	1, 558, 079. 42		1, 558, 079. 42	
Agricultural credits and rehabilitation, emergency relief	9, 550, 896. 72		9, 550, 896. 72	
Agriculture, miscellaneous	635, 073. 59		635, 073. 59	
Special deposit accounts	390, 812. 01	3, 660. 15	394, 502. 16	
Total Department of Agriculture, checks-issued basis	301, 455, 149. 87	4, 218, 723. 27	305, 673, 873. 14	
Adjustment between checks issued and cash expenditures	13, 210, 550. 07	91, 393. 84	13, 301, 943. 91	
Total Department of Agriculture, cash basis	314, 665, 699. 94	4, 310, 117. 11	318, 975, 817. 05	
DEPARTMENT OF COMMERCE				
Office of the Secretary	1, 639, 802. 34		1, 639, 802. 34	
Radio Division	553, 983. 31		553, 983. 31	
Aircraft in commerce	9, 137, 819. 71		9, 137, 819. 71	
Bureau of Foreign and Domestic Commerce	5, 093, 819. 20		5, 093, 819. 20	
Bureau of Census	6, 925, 375. 18		6, 925, 375. 18	
Steamboat Inspection Service	1, 305, 607. 75		1, 305, 607. 75	
Bureau of Navigation	414, 604. 13		414, 604. 13	
Bureau of Standards	3, 079, 974. 09		3, 079, 974. 09	
Bureau of Lighthouses	11, 473, 750. 35		11, 473, 750. 35	
Coast and Geodetic Survey	2, 889, 613. 35	9, 999. 17	2, 899, 612. 52	
Bureau of Fisheries	2, 663, 387. 67		2, 663, 387. 67	
Patent Office	1, 072, 933. 23	4, 012, 000. 47	5, 084, 933. 70	
Bureau of Mines	2, 314, 562. 37	*10, 150. 38*	2, 304, 411. 99	
Commerce, miscellaneous	13, 609. 93		13, 609. 93	
Special deposit accounts	*182, 401. 01*		*182, 401. 01*	
Total Department of Commerce, checks-issued basis	48, 396, 441. 60	4, 011, 849. 26	52, 408, 290. 86	
Adjustment between checks issued and cash expenditures	596, 675. 67	*304, 766. 06*	291, 909. 61	
Total Department of Commerce, cash basis	48, 993, 117. 27	3, 707, 083. 20	52, 700, 200. 47	

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
DEPARTMENT OF THE INTERIOR				
Office of the Secretary	$1,095,732.45		[9] $1,095,732.45	
General Land Office	2,180,135.93	$2,129,286.44	4,309,422.37	$333.60
Bureau of Reclamation	20,074,375.98	[10] 6,271,538.93	26,345,914.91	
Geological Survey	2,780,692.76		2,780,692.76	
National Park Service	12,376,691.36	31,655.61	12,408,346.97	
Office of Education	3,042,239.96	49,359.71	3,091,599.67	
Government in the Territories	1,661,937.04	1,298,176.09	2,960,113.13	
Beneficiaries	2,779,415.13		2,779,415.13	189,887.30
Interior, civil, miscellaneous	2,580.40		2,580.40	
Special deposit accounts	145,915.74		145,915.74	
Indian Affairs:				
Salaries and general expenses	1,707,984.77		1,707,984.77	
Education	12,021,893.39	36,079.72	12,057,973.11	
General support and civilization	2,094,231.09		2,094,231.09	
Fulfilling treaty stipulations and treaty supports	659,015.49		659,015.49	
Miscellaneous expenses of Indian Service	8,385,640.62	440,593.73	8,826,234.35	
Interest on Indian tribal funds	779,653.48		779,653.48	
Tribal funds				7,520,341.93
Special deposit accounts				2,393,440.59
Total Department of the Interior, including Indian Affairs but excluding Bureau of Pensions and civil service retirement and disability fund, checks-issued basis	71,788,135.59	10,256,690.23	82,044,825.82	10,104,003.42
Adjustment between checks issued and cash expenditures	*11,870.43*	*587,959.23*	*599,829.66*	*186,340.15*
Total Department of the Interior, including Indian Affairs, but excluding Bureau of Pensions and civil service retirement and disability fund, cash basis	71,776,265.16	9,668,731.00	81,444,996.16	9,917,663.27
DEPARTMENT OF JUSTICE				
Proper:				
Salaries and expenses	1,863,986.43		1,863,986.43	
Detection and prosecution of crimes	2,726,989.25		2,726,989.25	
Bureau of Prisons, salaries and expenses	227,545.28		227,545.28	
Bureau of Prohibition	[11] 11,057,731.52		11,057,731.52	
Miscellaneous objects	623,807.00		623,807.00	
Judicial:				
Salaries and expenses, Supreme Court	327,266.07		327,266.07	
Salaries of circuit, district, and retired judges	2,170,193.35		2,170,193.35	
National Park Commissioners	17,977.56		17,977.56	
Court of Customs and Patent Appeals	125,943.56		125,943.56	
United States Customs Court	254,686.19		254,686.19	
Court of Claims	268,919.48		268,919.48	
Territorial courts	84,916.67		84,916.67	
Expenses, etc., United States courts	16,875,042.13		16,875,042.13	
Penal and correctional institutions	14,739,643.01		14,739,643.01	753,912.97
Judicial, miscellaneous	11,640.48		11,640.48	171.05
Special deposit accounts	54,589.62		54,589.62	*15,967.15*
Total Department of Justice, checks-issued basis	51,430,877.60		51,430,877.60	738,116.87
Adjustment between checks issued and cash expenditures	208,383.20		208,383.20	*47,679.87*
Total Department of Justice, cash basis	51,639,260.80		51,639,260.80	690,437.00

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
DEPARTMENT OF LABOR				
Office of the Secretary	$742, 445. 71		$742, 445. 71	
Bureau of Labor Statistics	545, 030. 94		545, 030. 94	
Bureau of Immigration	10, 529, 624. 25	$47, 273. 78	10, 576, 898. 03	$411. 00
Bureau of Naturalization	1, 061, 040. 11		1, 061, 040. 11	
Children's Bureau	375, 823. 25		375, 823. 25	
Women's Bureau	156, 264. 91		156, 264. 91	
Housing Corporation	[5] 16, 012. 23		16, 012. 23	
Employment Service	869, 993. 07		869, 993. 07	
Labor, miscellaneous	5, 808. 06		5, 808. 06	130. 00
Special deposit accounts	47, 516. 06	339, 359. 80	386, 875. 86	
Total Department of Labor, checks-issued basis	14, 349, 558. 59	386, 633. 58	14, 736, 192. 17	541. 00
Adjustment between checks issued and cash expenditures	1, 320, 977. 51	*1, 355, 825. 71*	*34, 848. 20*	*18. 00*
Total Department of Labor, cash basis	15, 670, 536. 10	*969, 192. 13*	14, 701, 343. 97	523. 00
NAVY DEPARTMENT				
Office of the Secretary	1, 705, 057. 74	*6, 077. 19*	1, 698, 980. 55	
Bureau of Navigation	6, 930, 264. 04	44, 588. 58	6, 974, 852. 62	
Bureau of Engineering	19, 613, 391. 69		19, 613, 391. 69	
Bureau of Construction and Repair	24, 993, 621. 39		24, 993, 621. 39	
Bureau of Ordnance	12, 300, 244. 02		12, 300, 244. 02	
Bureau of Supplies and Accounts:				
Fuel and transportation	6, 228, 379. 48		6, 228, 379. 48	
Maintenance	9, 681, 372. 34		9, 681, 372. 34	
Naval supply account fund	*7, 251, 968. 92*		*7, 251, 968. 92*	
Pay, subsistence, and transportation, Navy	152, 398, 875. 05		152, 398, 875. 05	
Other items	501, 261. 50	*252, 335. 70*	248, 925. 80	29, 544. 34
Bureau of Medicine and Surgery	2, 035, 484. 23	597, 501. 22	2, 632, 985. 45	
Bureau of Yards and Docks	21, 755, 774. 18	3, 943. 55	21, 759, 717. 73	
Bureau of Aeronautics	31, 684, 496. 05		31, 684, 496. 05	
Naval Academy	2, 056, 139. 40		2, 056, 139. 40	
Marine Corps:				
Pay	15, 682, 991. 39		15, 682, 991. 39	
General expenses	6, 969, 306. 95		6, 969, 306. 95	
Other items	318, 021. 06		318, 021. 06	163, 562. 64
Increase of the Navy:				
Armor, armament, and ammunition	8, 733, 276. 90		8, 733, 276. 90	
Construction and machinery	30, 576, 302. 51		30, 576, 302. 51	
Other items	279, 093. 77		279, 093. 77	
Salaries, Navy Department	[12] 4, 223, 690. 19		4, 223, 690. 19	
Contingent expenses, etc	[13] 885, 885. 63		885, 885. 63	
Navy, miscellaneous	1, 435, 352. 20		1, 435, 352. 20	22. 29
General account of advances	950. 81		950. 81	
Special deposit accounts		*12, 962. 54*	*12, 962. 54*	
Total Navy Department, checks-issued basis	353, 737, 263. 63	374, 657. 92	354, 111, 921. 55	193, 129. 27
Adjustment between checks issued and cash expenditures	3, 699, 731. 30	*193, 818. 97*	3, 505, 912. 33	9, 897. 26
Total Navy Department, cash basis	357, 436, 994. 93	180, 838. 95	357, 617, 833. 88	203, 026. 53
POST OFFICE DEPARTMENT				
Deficiencies in the postal revenues	[4]			
Miscellaneous expenses, Postal Service	130, 200. 64		130, 200. 64	
Total Post Office Department, exclusive of Postal Service payable from postal revenues, checks-issued basis	130, 200. 64		130, 200. 64	
Adjustment between checks issued and cash expenditures	*4, 301. 74*		*4, 301. 74*	
Total Post Office Department, exclusive of Postal Service payable from postal revenues, cash basis	125, 898. 90		125, 898. 90	

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
DEPARTMENT OF STATE				
Salaries and expenses	$2,247,368.72		$2,247,368.72	
Foreign intercourse	[14] 16,717,213.11	$8,062.60	16,725,275.71	$394,448.59
Special deposit accounts	*761.34*	*128,449.39*	*129,210.73*	
Total Department of State, checks-issued basis	[14] 18,963,820.49	*120,386.79*	18,843,433.70	394,448.59
Adjustment between checks issued and cash expenditures	191,453.65	*153,023.57*	38,430.08	15,740.29
Total Department of State, cash basis	19,155,274.14	*273,410.36*	18,881,863.78	410,188.88
TREASURY DEPARTMENT				
Office of the Secretary	158,406.47		158,406.47	
Office of chief clerk and superintendent	731,544.55		731,544.55	
Division of Supply	1,294,118.24		1,294,118.24	
General Supply Committee	46,745.26		46,745.26	
Office of Commissioner of Accounts and Deposits	89,382.44		89,382.44	
Division of Bookkeeping and Warrants	992,820.67	18,951.98	1,011,772.65	
Public Debt Service	3,909,747.12		3,909,747.12	33,001.95
Division of Appointments	67,721.50		67,721.50	
Office of disbursing clerk	51,922.65		51,922.65	
Bureau of Customs:				
Collecting the revenue from customs	22,768,577.59		22,768,577.59	
Miscellaneous expenses	119,602.65		119,602.65	
Refunds, debentures, drawbacks, etc	(15)	(15)		
Bureau of the Budget	188,961.18		188,961.18	
Federal Farm Loan Bureau	972,779.37	23,998.35	996,777.72	
Office of Treasurer of United States	1,655,925.41		1,655,925.41	
Office of Comptroller of the Currency	315,065.57	2,734,552.80	3,049,618.37	
Bureau of Internal Revenue:				
Collecting the revenue	33,536,886.43		33,536,886.43	
Refunds, debentures, drawbacks, etc	(15)	(15)		
Bureau of Prohibition:				
Enforcement of narcotic and national prohibition acts	[16] 8,975.16		8,975.16	
Refunds and drawbacks	(15)			
Bureau of Industrial Alcohol:				
Salaries and expenses	4,525,144.36		4,525,144.36	
Refunds and drawbacks	(15)			
Bureau of Narcotics	1,493,065.22		1,493,065.22	
Coast Guard	32,304,972.47	2,439.07	32,307,411.54	
Bureau of Engraving and Printing	6,781,839.85		6,781,839.85	
Secret Service Division	711,982.81		711,982.81	
Public Health Service	12,888,199.44	4,657.29	12,892,856.73	164.11
Mints and assay offices	1,353,194.31		1,353,194.31	
Office of Supervising Architect:				
Operating expenses, public buildings	13,484,440.01		13,484,440.01	
Repairs, equipment, etc., public buildings	10,621,968.68		10,621,968.68	
Sites, construction, etc.—				
Post offices, customhouses, courthouses, etc	82,781,732.20		82,781,732.20	
Inspection stations	541,975.96		541,975.96	
Quarantine stations	136,822.19		136,822.19	
Marine hospitals	2,458,103.89	100,322.88	2,558,426.77	
Treasury, miscellaneous:				
To promote the education of the blind	75,000.00		75,000.00	
Outstanding liabilities (trust fund)				*272,616.37*
Other items	61,580.92		61,580.92	40,015.00
Special deposit accounts	*247,727.99*		*247,727.99*	
Total Treasury Department, exclusive of special accounts	236,884,476.58	2,884,922.37	239,769,398.95	*199,435.31*
Special accounts:				
Premium on the public debt	1,893.13		1,893.13	
Settlement of war claims act of 1928	37,787,911.96		37,787,911.96	
Stock of Federal intermediate credit banks	2,000,000.00		2,000,000.00	

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
TREASURY DEPARTMENT—con.				
Special accounts—Continued.				
Additional stock of Federal land banks	(4)			
Total Treasury Department, checks-issued basis [17]	$276,674,281.67	$2,884,922.37	$279,559,204.04	*$199,435.31*
Adjustment between checks issued and cash expenditures	8,570,418.40	*184,619.80*	8,385,798.60	*1,960.90*
Total Treasury Department, cash basis [17]	285,244,700.07	2,700,302.57	287,945,002.64	*201,396.21*
WAR DEPARTMENT				
Military activities:				
Salaries, War Department	[12] 5,122,905.89		5,122,905.89	
Office of Secretary of War	597,924.76		597,924.76	
General Staff Corps	127,059.81		127,059.81	
Adjutant General's Department	107,236.89		107,236.89	
Finance Department—				
Pay of the Army	136,201,566.49		136,201,566.49	
Finance service	1,113,310.71		1,113,310.71	
Judgments	481,490.76		481,490.76	
Other items	828,742.27		828,742.27	
Quartermaster Corps—				
Army transportation	14,121,937.26		14,121,937.26	
Barracks and quarters and other buildings and utilities	14,727,399.89		14,727,399.89	
Clothing and equipage	9,227,333.27		9,227,333.27	
Construction of buildings, etc., at military posts	23,841,198.53	512,500.00	24,353,698.53	
Construction and repair of hospitals	618,983.35		618,983.35	
Incidental expenses of Army	3,823,473.80		3,823,473.80	
Regular supplies of the Army	5,518,582.70		5,518,582.70	
Subsistence of the Army	17,843,840.32		17,843,840.32	
Other items	1,018,954.24		1,018,954.21	
Signal Corps	3,429,881.19		3,429,881.19	
Air Corps	33,046,533.50		33,046,533.50	
Medical Department	890,153.90		890,153.90	
Bureau of Insular Affairs	1.50		1.50	
Corps of Engineers	838,186.22		838,186.22	
Fortifications, etc., Panama Canal	779,868.12		779,868.12	
Ordnance Department	14,587,276.50	79,794.06	14,667,070.56	
Chemical Warfare Service	1,264,605.43		1,264,605.43	
Chief of Infantry	68,551.01		68,551.01	
Chief of Cavalry	23,021.09		23,021.09	
Chief of Field Artillery	27,967.90		27,967.90	
Chief of Coast Artillery	1,747,863.17		1,747,863.17	
Military Academy	3,220,714.67		3,220,714.67	
Militia Bureau	34,777,555.26		31,777,555.26	
Organized Reserves	6,214,558.71		6,214,558.71	
Citizens' military training	6,464,073.62		6,464,073.62	
National Board for Promotion of Rifle Practice	796,192.61		796,192.61	
Army account of advances	602,691.29		602,691.29	
Special deposit accounts	*63,264.35*		*63,264.35*	
Nonmilitary activities:				
National cemeteries	1,759,952.93		1,759,952.93	
National military parks	1,059,571.98		1,059,574.98	
Miscellaneous, Quartermaster Corps	1,538,228.49	80,438.79	1,618,667.28	
Signal Corps	342,553.26		342,553.26	
Corps of Engineers, miscellaneous	782,323.79	218,480.87	1,000,804.66	
Rivers and harbors—				
Improving harbors	702.11	1,404,480.06	1,405,182.17	
Improving rivers	84,232,132.48	1,449,261.36	85,681,393.84	
Flood control and relief	29,246,814.04	493,398.06	29,740,212.10	
Special deposit accounts	7,534.45		7,534.45	
War claims and relief acts	7,067.90		7,067.90	
Trust funds				1,420,633.50
Miscellaneous, nonmilitary	108,053.63		108,053.63	
Total War Department, excluding Panama Canal, checks-issued basis	463,123,310.34	4,238,353.20	467,361,663.54	1,420,633.50
Adjustment between checks issued and cash expenditures	*883,609.71*	309,957.69	*573,652.02*	18,199.97
Total War Department, excluding Panama Canal, cash basis	462,239,700.63	4,548,310.89	466,788,011.52	1,438,833.47
Total classified, general expenditures, cash basis	2,496,183,594.62	71,307,698.24	2,567,491,292.86	86,985,521.71
Unclassified items, cash basis	*148,050.40*	193,541.07	45,490.67	205,412.79
Total general expenditures, cash basis	2,496,035,544.22	71,501,239.31	2,567,536,783.53	87,190,934.50

For footnotes, see p. 357.

TABLE 3.—*Details of expenditures, by organization units and funds, for the fiscal year 1932*—Continued

Organization unit	General fund	Special funds	Total general and special funds	Trust funds
OTHER ITEMS				
Public debt:				
Interest	$599,722,595.24		$599,722,595.24	
Sinking fund	412,554,750.00		412,554,750.00	
Purchase and retirements from franchise tax receipts (Federal intermediate credit banks)		$21,000.00	21,000.00	
Estate taxes		1,000.00	1,000.00	
Forfeitures, gifts, etc		53,000.00	53,000.00	
Refunds of receipts:				
Customs	16,866,862.42	11,984.03	16,878,846.45	
Internal Revenue	83,685,165.70	398,863.89	84,084,029.59	
Bureau of Industrial Alcohol	77,412.50		77,412.50	
Postal deficiency [18]	202,876,340.63		202,876,340.63	
Panama Canal	10,234,423.04		10,234,423.04	
Stock of Reconstruction Finance Corporation	500,000,000.00		500,000,000.00	
Additional stock of Federal land banks	125,000,000.00		125,000,000.00	
Agricultural marketing fund (net)	136,519,442.53		136,519,442.53	
Adjusted service certificate fund [19]	200,000,000.00		200,000,000.00	*$11,373,912.99*
Civil service retirement fund [19]	[20] 20,850,000.00		20,850,000.00	*140,634.55*
Government life insurance fund [19]				[21]
Foreign service retirement fund [19]	215,000.00		215,000.00	2,324.12
Canal Zone retirement fund [19]				[21]
District of Columbia	[22] 9,442,318.45		9,442,318.45	39,575,592.28
Total other items, checks-issued basis	2,318,044,310.51	485,847.92	2,318,530,158.43	28,063,368.86
Adjustment between checks issued and cash expenditures	*157,255.83*		*157,255.83*	5,426,315.58
Total other items, cash basis	2,317,887,054.68	485,847.92	2,318,372,902.60	33,489,684.44
Total expenditures chargeable against ordinary receipts, checks-issued basis	4,788,670,180.75	76,543,303.24	4,865,213,483.99	115,433,426.04
Adjustment between checks issued and cash expenditures	25,252,418.15	*4,556,216.01*	20,696,202.14	5,247,192.90
Total cash expenditures chargeable against ordinary receipts on basis of daily Treasury statements (unrevised)	4,813,922,598.90	71,987,087.23	4,885,909,686.13	120,680,618.94
Excess of expenditures chargeable against ordinary receipts over ordinary receipts	2,837,376,756.46	42,807,492.53	[23] 2,880,184,248.99	5,178,050.03

NOTE.—Excess credits and adjustments in italics to be deducted.

[1] Exclusive of related items shown on p. 357 under "other items."
[2] Included under the Division of Bookkeeping and Warrants, Treasury Department, in 1932 for Budget purposes.
[3] Exclusive of $63,000 chargeable against the District of Columbia.
[4] See "other items," p. 357.
[5] Heretofore shown under Independent Offices. Included under Department of Labor in 1932 for Budget purposes and under act of Feb. 23, 1931. (46 Stat. 1364.)
[6] This item shown on p. 351.
[7] Includes expenditures heretofore included under the following appropriations: Salaries and expenses, Veterans' Bureau; salaries, Bureau of Pensions; salaries and expenses, employees' retirement act, Bureau of Pensions; fees of examining surgeons, Pensions; investigation of pension cases, Bureau of Pensions medical and hospital services, Veterans' Bureau; national homes for disabled volunteer soldiers; artificial limbs; appliances for disabled soldiers; trusses for disabled soldiers; and sundry contingent and miscellaneous accounts under the act of Feb. 23, 1931. (46 Stat. 1373.)
[8] See p. 115 for statement of investments on this account.
[9] The $500 chargeable to the District of Columbia under Freedmen's Hospital which was transferred to "Contingent expenses, Department of the Interior," is included in District of Columbia expenditures.
[10] This amount does not include the sum of $1,000,000 heretofore reimbursed annually to the general fund under the act of June 12, 1917.
[11] Additional expenditures for prior year accounts under the national prohibition act, amounting to $8,975.16, were made under the Treasury Department during 1932. The expenditures under the Bureau of Industrial Alcohol, Treasury Department, amounted to $4,602,556.86 during 1932.
[12] Includes all salary accounts heretofore shown under the offices or bureaus to which they pertained.
[13] Includes sundry contingent and miscellaneous accounts heretofore shown under various offices and bureaus.
[14] Exclusive of foreign service retirement fund, p. 357.
[15] See "Refunds of receipts," p. 357.
[16] Additional expenditures under Dept. of Justice for this item amount to $11,057,731.52. See p. 353.
[17] Exclusive of refunds of receipts, p. 357.
[18] For classification of extraordinary expenditures contributing to the deficiency in postal revenues for the fiscal year ended June 30, 1932, see Exhibit 65 and p. 333 for statement of account.
[19] See pages beginning 107 for statements of accounts.
[20] Exclusive of $150,000 expended under D. C. for its liability, civil ser. retirem't act, fiscal year 1932.
[21] Included under Veterans' Administration, p. 351.
[22] $9,500,000 less $57,681.55 reimbursements to general fund on account of prior year transactions.
[23] Add excess of trust fund expenditures over trust fund receipts for comparison with surpluses and deficits as published in annual reports for years prior to 1931.

TABLE 4.—*Ordinary receipts, expenditures chargeable against ordinary receipts, and surplus or deficit for the fiscal years 1916 to 1932* [1]

[On basis of daily Treasury statements (unrevised), see p. 337]

(Beginning with the fiscal year 1931 receipts and expenditures were classified according to general, special, and trust funds in the daily Treasury statement in order to conform to the practice of the Bureau of the Budget. In the following table, however, transactions in general, special, and trust funds are combined for purposes of historical comparison. For explanation of funds, see p. 338.)

[In thousands]

PART 1.—SUMMARY OF ORDINARY RECEIPTS

Year	Customs	Internal revenue		Miscellaneous receipts			Total ordinary receipts
		Income and profits taxes	Miscellaneous	From foreign governments		All other	
				Principal	Interest		
1916	$213,186	$124,937	$387,765			$56,647	$782,535
1917	225,963	359,681	449,685			88,996	1,124,325
1918	179,999	2,314,006	872,028			298,550	3,664,583
1919	184,458	3,018,784	1,296,501			652,514	5,152,257
1920	322,903	3,944,949	1,160,082			966,631	6,694,565
1921	308,564	3,206,046	1,390,380			719,943	5,624,933
1922	356,443	2,068,128	1,145,125			539,408	4,109,104
1923	561,929	1,678,607	945,865	$31,657	$201,332	587,745	4,007,135
1924	545,638	1,842,144	953,013	61,090	160,685	449,475	4,012,045
1925	547,561	1,760,538	828,638	23,248	160,390	459,774	3,780,149
1926	579,430	1,982,040	855,600	34,147	160,091	351,448	3,962,756
1927	605,500	2,221,993	644,422	45,700	160,389	448,391	4,125,395
1928	568,986	2,173,952	621,019	47,841	161,085	469,465	4,042,348
1929	602,263	2,330,712	607,307	38,791	160,341	293,836	4,033,250
1930	587,001	2,410,987	628,308	97,634	141,932	312,080	4,177,942
1931	378,354	1,860,394	569,387	51,588	181,475	273,035	3,317,233
1932	[2] 327,755	1,057,336	503,670			232,467	2,121,228

PART 2.—SUMMARY OF EXPENDITURES CHARGEABLE AGAINST ORDINARY RECEIPTS

Year	Total ordinary expenditures (See part 2A)	Public debt retirements				Total expenditures chargeable against ordinary receipts	Surplus (+) or deficit (−)
		Sinking fund	Foreign repayments	All other [3]	Total		
1916	$734,056					$734,056	+$48,478
1917	1,977,682					1,977,682	−853,357
1918	12,696,703			$1,134	$1,134	12,697,837	−9,033,254
1919	18,514,880		$7,922	93	8,015	18,522,895	−13,370,637
1920	6,403,344		72,670	6,076	78,746	6,482,090	+212,475
1921	5,115,928	$261,100	73,940	87,241	[4] 422,281	5,538,209	+86,724
1922	3,372,608	276,046	64,838	81,811	422,695	3,795,303	+313,802
1923	3,294,627	284,019	100,893	17,939	402,851	3,697,478	+309,657
1924	3,048,678	295,987	149,388	12,625	458,000	3,506,678	+505,367
1925	3,063,105	306,308	159,180	1,050	466,538	3,529,643	+250,505
1926	3,097,612	317,092	169,651	639	487,376	3,584,988	+377,768
1927	2,974,030	333,529	179,216	6,810	519,555	3,493,585	+635,810
1928	3,103,265	354,741	181,804	3,710	540,255	3,643,520	+398,828
1929	3,298,859	370,277	176,214	3,113	549,604	3,848,463	+184,787
1930	3,440,269	388,369	160,926	5,589	553,884	3,994,153	+183,789
1931	3,779,868	391,660	48,246	176	440,082	4,219,950	−902,717
1932	4,593,960	412,555		75	412,630	5,006,590	−2,885,362

For footnotes, see p. 361.

TABLE 4.—*Ordinary receipts, expenditures chargeable against ordinary receipts, and surplus or deficit for the fiscal years 1916 to 1932*—Continued

[In thousands]

PART 2A—DETAIL OF ORDINARY EXPENDITURES

Year	Ordinary expenditures—**general**					
	Legislative establishment [5]	Executive Office [5]	State Department	Treasury Department	War Department	Department of Justice
1916	$13,808	$502	$6,308	$71,797	$164,547	$10,539
1917	15,092	1,281	6,169	84,294	358,158	10,566
1918	15,826	9,663	9,893	152,500	4,850,687	12,965
1919	17,090	17,467	20,766	227,278	8,995,880	15,717
1920	19,328	6,676	13,586	322,316	1,610,588	17,814
1921	18,983	210	8,781	488,637	1,101,615	17,206
1922	17,088	219	9,666	209,105	454,731	17,889
1923	14,165	349	15,463	145,017	392,734	23,522
1924	14,316	451	14,669	137,411	348,630	21,134
1925	13,856	412	15,054	128,232	361,888	23,496
1926	15,776	439	16,521	136,579	355,072	23,774
1927	19,678	612	16,498	151,560	360,809	24,819
1928	16,402	589	11,607	195,649	390,541	27,600
1929	17,547	487	13,281	200,417	416,901	28,892
1930	19,987	690	14,170	193,114	453,525	32,483
1931	23,979	507	15,688	[6] 204,569	478,419	[6] 44,333
1932	27,318	424	19,292	287,744	468,227	52,330

Year	Post Office Department	Navy Department	Interior Department	Department of Agriculture	Department of Commerce	Department of Labor
1916	$7,272	$153,854	$199,471	$27,970	$11,438	$3,608
1917	1,896	239,633	216,416	29,547	11,690	3,852
1918	4,173	1,278,840	244,557	42,870	12,834	5,469
1919	2,412	2,002,311	288,286	39,246	15,590	12,943
1920	50,049	736,021	279,215	65,546	30,011	5,415
1921	[7] 135,359	650,374	357,815	119,838	30,829	8,502
1922	3,384	476,775	331,814	112,696	21,688	6,227
1923	147	333,201	354,623	128,746	21,784	7,241
1924	187	332,249	328,228	141,116	21,430	6,620
1925	80	346,142	302,440	164,644	25,783	9,678
1926	96	312,744	[8] 301,759	155,351	[5] 29,132	8,545
1927	189	318,909	302,707	156,287	30,940	9,922
1928	277	331,335	299,000	159,915	34,583	9,821
1929	[9] 43,091	364,562	301,123	171,147	39,987	11,311
1930	58	374,166	290,028	177,580	54,299	10,654
1931	82	354,071	[10] 71,500	296,866	61,477	12,182
1932	126	357,821	91,363	318,976	52,700	14,702

Year	Veterans' Administration [11]	Other independent offices and commissions [5]	District of Columbia	Total	Unclassified items, add (+) or deduct (−)	**Total general expenditures**
1916	----------	$7,165	$13,255	$691,534	+$992	$692,526
1917	----------	7,559	13,682	999,835	+150	999,985
1918	----------	12,715	14,447	6,667,439	+26,470	6,693,909
1919	----------	75,376	16,011	11,746,376	+895	11,747,271
1920	----------	59,469	19,988	3,236,052	−4,400	3,231,652
1921	----------	119,942	22,715	3,080,806	−922	3,079,884
1922	$376,750	43,872	23,731	2,135,635	+232	2,135,867
1923	461,719	28,712	24,054	1,951,477	−1,436	1,950,041
1924	409,121	28,262	25,873	1,829,697	−1,234	1,828,463
1925	384,716	27,683	32,713	1,836,657	+347	1,837,004
1926	404,692	32,069	34,411	1,826,960	−233	1,826,727
1927	391,470	35,443	37,567	1,857,410	+449	1,857,859
1928	401,325	35,682	39,400	1,953,526	−199	1,953,327
1929	417,280	40,309	40,117	2,106,185	+18	2,106,503
1930	446,956	49,496	45,080	2,162,286	+423	2,162,709
1931	[10] 729,199	49,969	47,798	2,390,639	−162	2,390,477
1932	807,765	53,917	48,423	2,601,128	+251	2,601,379

For footnotes, see p. 361.

TABLE 4.—*Ordinary receipts, expenditures chargeable against ordinary receipts, and surplus or deficit for the fiscal years 1916 to 1932*—Continued

[In thousands]

PART 2A—DETAIL OF ORDINARY EXPENDITURES—Continued

Year	Ordinary expenditures—all other						
	Interest on the public debt	Refunds of customs and internal revenue receipts [12]	Postal deficiency [13]	Panama Canal	Civil service retirement fund [14]	District of Columbia teachers' retirement fund [15]	Foreign service retirement fund
1916	$22,901			$18,629			
1917	24,743			19,783			
1918	189,743			19,268			
1919	619,216			13,196			
1920	1,020,252			11,366			
1921	999,145			16,461			
1922	991,001	$82,826	$64,346	3,026	$9,283	$231	
1923	1,055,924	154,016	32,527	4,317	8,091	190	
1924	940,603	147,787	12,639	8,387	8,028	234	
1925	881,807	170,698	23,217	9,093	9,745	258	$82
1926	831,938	209,965	39,506	9,018	10,816	297	100
1927	787,020	137,733	27,263	8,305	*425*	290	87
1928	731,765	170,143	32,080	10,449	109	514	81
1929	678,330	212,554	[9] 94,700	9,046	19,955	503	282
1930	659,348	157,944	91,714	11,329	20,434	517	313
1931	611,560	91,257	145,644	9,299	20,304	571	337
1932	599,277	101,124	202,876	10,662	20,860	602	205

Year	Government life insurance fund [12]	Adjusted service certificate fund	Agricultural marketing fund (net)	Subscription to stock of Reconstruction Fin. Corp.	Subscription to stock of Federal land banks	Railroads	Shipping Board
1916							
1917					$8,880		$14,291
1918						$120,264	770,682
1919						358,795	1,820,607
1920						[16] 1,036,672	530,566
1921						[7] 730,712	130,723
1922	$24,599					[17] *139,369*	87,206
1923	26,672					114,145	57,024
1924	30,410					35,742	85,491
1925	31,992	$99,459				7,205	30,305
1926	38,290	120,152				2,726	23,043
1927	47,316	115,219				1,043	19,011
1928	61,701	111,818				*620*	31,882
1929	52,160	111,773				*1,858*	15,889
1930	13,469	112,313	$149,958			*4,796*	31,695
1931	59,626	224,216	190,541			*246*	33,962
1932	51,385	193,964	136,239	$500,000	125,000	*1,644*	51,541

Year	War Finance Corporation	Alien property funds [18]	General railroad contingent fund	Purchase of obligations of for. govts.	Purchase of Federal farm loan bonds	Food and Fuel Administrations	Payment for West Indies
1916							
1917				$885,000			$25,000
1918	$41,929			4,738,030	$65,018	$54,860	
							Grain Corporation
1919	302,622			3,47[illegible],255	86,580	87,338	
1920	[19] *228,[illegible]72*			421,337	2[illegible],643		[20] $350,328
						Sugar Equalization Board	
1921	*22,028*			73,897	16,781		[21] 90,353
1922	94,428	$1,826		718		*$15,280*	[22] 32,000
1923	*109,436*	*1,366*				2,482	
1924	*52,540*	*1,150*	$4,581				
1925	*42,902*	4,018	1,124				
1926	*19,691*	3,516	1,209			Canal Zone retirement fund	
1927	*27,066*	*496*	871				
1928	*3,813*	*351*	1,180				
1929	*611*	*1,345*	978				
1930	*59*	969	2,412				
1931	172	1,186	962				
1932	*12*	221	308			*$26*	

For footnotes, see p. 361.

NOTE.—Excess credits in italics to be deducted.

[1] Because of legislation establishing revolving funds and providing for the reimbursement of appropriations, commented upon in the Annual Report of the Secretary of the Treasury for the fiscal year 1919, p. 126ff, the gross expenditures in the case of some departments and agencies, notably the War Department, the Railroad Administration, and the Shipping Board, have been considerably larger than here stated.

[2] Beginning with the fiscal year 1932 tonnage tax was covered into the Treasury as miscellaneous receipts.

[3] For details see Table 30, p. 423.

[4] Ordinary receipts and public debt retirements chargeable against ordinary receipts for 1921 exclude $4,842,066.45 written off the debt Dec. 31, 1920, for fractional currency estimated lost or destroyed.

[5] In the fiscal years 1921, 1922, and 1923, changes were made in classification of expenditures between Legislative Establishment, Executive Office, and other independent offices and commissions, which account for most of the differences as compared with expenditures for other fiscal years.

[6] The Bureau of Prohibition was transferred from the Treasury Department to the Department of Justice, pursuant to provisions of the act of May 27, 1930.

[7] Owing to settlement between the Post Office Department and the Railroad Administration on account of transportation during Federal control, Post Office Department expenditures for June, 1921, include $65,575,832.03 paid to the Railroad Administration. Deposits of this payment by Railroad Administration resulted in decrease in expenditures on account of "Federal control of transportation systems and transportation act, 1920," by a corresponding amount.

[8] Executive order of Mar. 17, 1925, transferred the Patent Office from Interior Department to the Department of Commerce, and the Executive order of June 4, 1925, transferred the Bureau of Mines from Interior Department to the Department of Commerce.

[9] Included in expenditures of the Post Office Department and also on account of postal deficiency for the fiscal year 1929 (month of June, 1929) are $42,997,089.50 and $8,999,996, respectively, representing payment of so-called back railway mail pay to inland carriers, authority, joint resolution, June 6, 1929.

[10] The Bureau of Pensions and National Homes for Disabled Volunteer Soldiers were transferred from the Department of the Interior and War Department, respectively, to the Veterans' Administration in accordance with the Executive order of July 21, 1930.

[11] Payments on account of veterans' relief made prior to Aug. 11, 1921, by the War Risk Insurance Bureau are included under Treasury Department, while similar payments made prior to that date by the Federal Board for Vocational Education are included under "other independent offices and commissions."

[12] Included under Treasury Department prior to fiscal year 1922.

[13] Included under Post Office Department prior to fiscal year 1922.

[14] Established by act of May 22, 1920, and included under Interior Department prior to fiscal year 1922.

[15] Included under District of Columbia prior to fiscal year 1922.

[16] Includes $288,399,222.46 payments on cert. of indebt., Director Gen. of Railroads, due July 15, 1919.

[17] The railroad expenditures during the fiscal year 1922 were reduced by $266,636,606.26, on account of deposits by the Railroad Administration, representing proceeds of sale of equipment trust notes acquired under the Federal control act approved Mar. 21, 1918, as amended, and the act approved Nov. 19, 1919, and were further reduced by $123,783,487.75 on account of deposits of the proceeds of sale or collection of other securities acquired under the Federal control act or transportation act, 1920. In 1923 and 1924 receipts on these accounts were included in the daily Treasury statement under miscellaneous receipts, proceeds of Government-owned securities, railroad securities.

[18] Included under Executive Office prior to fiscal year 1922.

[19] Excess of credits resulting from deposits of War Finance Corporation representing proceeds of redemptions of its holdings of U. S. securities. (See note 2, p. 2, daily Treasury statement for June 30, 1920)

[20] Includes $350,000,000 applied by U. S. Grain Corporation in reduction of capital stock, reflected in "Miscellaneous receipts for fiscal year 1920." (See note 1, p. 2, daily Treasury statement for June 30, 1920.)

[21] Net expenditures after taking into account credits and $100,000,000 applied to reduction in capital stock of U. S. Grain Corporation.

[22] $25,000,000 of this amount represents reduction in capital stock of U. S. Grain Corporation, effected Oct. 17, 1921, and is reflected in an increase of receipts in an equal amount. (See note, p. 2, daily Treasury statement for Oct. 18, 1921.)

TABLE 5.—*Receipts and expenditures for the fiscal years 1789 to 1932* [1]

[On basis of warrants issued from 1789 to 1915, inclusive, and on basis of daily Treasury statements (unrevised) from 1916 to 1932, see p. 337. General, special, and trust funds combined. For explanation of funds, see p. 338]

Year	Ordinary receipts							Postal revenues,[3] exclusive of surplus postal receipts covered into the Treasury	Total ordinary receipts and postal revenues	Surplus (+) or deficit (−) of ordinary receipts covered into the Treasury compared with expenditures chargeable against ordinary receipts [4]
	Customs (including tonnage tax)	Internal revenue		Sales of public lands [2]	Surplus postal receipts covered into the Treasury	Miscellaneous	Total ordinary receipts			
		Income and profits taxes	Miscellaneous							
1789-1791	$4,399,473					$19,440	$4,418,913	$91,739	$4,510,652	+$149,886
1792	3,443,071		$208,943			17,946	3,669,960	67,443	3,737,403	−1,409,572
1793	4,255,307		337,706		$11,021	48,889	4,652,923	93,725	4,746,648	+170,610
1794	4,801,065		274,090		29,478	327,272	5,431,905	99,469	5,531,374	−1,558,934
1795	5,588,461		337,755		22,400	165,918	6,114,534	138,220	6,252,754	−1,425,275
1796	6,567,988		475,290	$4,836	72,910	1,256,506	8,377,530	122,156	8,499,686	+2,650,544
1797	7,549,650		575,491	83,541	64,500	415,599	8,688,781	149,498	8,838,279	+2,555,147
1798	7,106,062		644,358	11,963	39,500	98,613	7,900,496	193,477	8,093,973	+223,992
1799	6,610,419		779,136		41,000	116,228	7,546,813	223,846	7,770,659	−2,119,642
1800	9,080,933		809,396	444	78,000	879,976	10,848,749	202,804	11,051,553	+62,674
1801	10,750,779		1,048,033	167,726	79,500	889,293	12,935,331	240,942	13,176,273	+3,540,749
1802	12,438,236		621,899	188,628	35,000	1,712,031	14,995,794	292,044	15,287,838	+7,133,676
1803	10,479,418		215,180	165,676	16,427	187,397	11,064,098	335,395	11,399,493	+3,212,445
1804	11,098,565		50,941	487,527	26,500	162,774	11,826,307	362,949	12,189,256	+3,106,865
1805	12,936,487		21,747	540,194	21,343	40,922	13,560,693	400,030	13,960,723	+3,054,459
1806	14,667,698		20,101	765,246	41,118	65,768	15,559,931	404,987	15,964,918	+5,756,314
1807	15,845,522		13,051	466,163	3,615	69,668	16,398,019	475,147	16,873,166	+8,043,868
1808	16,363,551		8,211	647,939		40,961	17,060,662	460,564	17,521,226	+7,128,170
1809	7,296,021		4,044	442,252		31,156	7,773,473	506,633	8,280,106	−2,507,275
1810	8,583,309		7,431	696,549		96,926	9,384,215	551,684	9,935,899	+1,227,705
1811	13,313,223		2,296	1,040,238	38	67,734	14,423,529	587,208	15,010,737	+6,365,192
1812	8,958,778		4,903	710,428	85,040	41,984	9,801,133	564,168	10,365,301	−10,479,638
1813	13,224,623		4,755	835,655	35,000	240,377	14,340,410	668,154	15,008,564	−17,341,442
1814	5,998,772		1,662,985	1,135,971	45,000	2,338,897	11,181,625	685,370	11,866,995	−23,539,301
1815	7,282,942		4,678,059	1,287,959	135,000	2,345,064	15,729,024	908,065	16,637,089	−16,979,115
1816	36,306,875		5,124,708	1,717,985	149,788	4,378,315	47,677,671	811,994	48,489,665	+17,090,980
1817	26,283,348		2,678,101	1,991,226	29,372	2,117,003	33,099,050	973,601	34,072,651	+11,255,230
1818	17,176,385		955,270	2,606,565	20,070	826,881	21,585,171	1,110,165	22,695,336	+1,760,050
1819	20,283,609		229,594	3,274,423	71	815,678	24,603,375	1,204,666	25,808,041	+3,139,565
1820	15,005,612		106,261	1,635,872	6,466	1,126,459	17,880,670	1,105,461	18,986,131	−379,957
1821	13,004,447		69,028	1,212,966	517	286,422	14,573,380	1,058,570	15,631,950	−1,237,373
1822	17,589,762		67,666	1,803,582	602	770,816	20,232,428	1,116,888	21,349,316	+5,232,208
1823	19,088,433		34,242	916,523	111	501,357	20,540,666	1,130,004	21,670,670	+5,833,826

1824	17, 878, 326		34, 663	984, 418		483, 806	19, 381, 213	1, 197, 758	20, 578, 971	−945, 495
1825	20, 098, 713		25, 771	1, 216, 091	470	499, 813	21, 840, 858	1, 306, 055	23, 146, 913	+5, 983, 629
1826	23, 341, 332		21, 590	1, 393, 785	300	503, 427	25, 260, 434	1, 447, 403	26, 707, 837	+8, 224, 637
1827	19, 712, 283		19, 886	1, 495, 845	101	1, 738, 249	22, 966, 364	1, 524, 532	24, 490, 896	+6, 827, 196
1828	23, 205, 524		17, 452	1, 018, 309	20	522, 325	24, 763, 630	1, 659, 895	26, 423, 525	+8, 368, 787
1829	22, 681, 966		14, 503	1, 517, 175	87	613, 896	24, 827, 627	1, 707, 331	26, 534, 958	+9, 624, 294
1830	21, 922, 391		12, 161	2, 329, 356	55	580, 153	24, 844, 116	1, 850, 528	26, 694, 644	+9, 701, 050
1831	24, 224, 442		6, 934	3, 210, 815	561	1, 084, 069	28, 526, 821	1, 997, 250	30, 524, 071	+13, 279, 170
1832	28, 465, 237		11, 631	2, 623, 381	245	765, 067	31, 865, 561	2, 258, 325	34, 123, 886	+14, 576, 611
1833	29, 032, 509		2, 759	3, 967, 683		945, 476	33, 948, 427	2, 617, 011	36, 565, 438	+10, 930, 875
1834	16, 214, 957		4, 196	4, 857, 601	100	715, 082	21, 791, 936	2, 823, 649	24, 615, 585	+3, 164, 367
1835	19, 391, 311		10, 459	14, 757, 601	893	1, 269, 823	35, 430, 087	2, 992, 663	38, 422, 750	+17, 857, 274
1836	23, 409, 941		370	24, 877, 180	11	2, 539, 294	50, 826, 796	3, 408, 312	54, 235, 108	+19, 958, 632
1837	11, 169, 290		5, 494	6, 776, 237		7, 003, 132	24, 954, 153	4, 101, 703	29, 055, 856	−12, 289, 343
1838	16, 158, 800		2, 467	3, 081, 940		7, 059, 355	26, 302, 562	4, 238, 733	30, 541, 295	−7, 562, 497
1839	23, 137, 925		2, 553	7, 076, 447		1, 265, 824	31, 482, 749	4, 484, 657	35, 967, 406	+4, 583, 621
1840	13, 499, 502		1, 682	3, 292, 683		2, 686, 248	19, 480, 115	4, 543, 522	24, 023, 637	−4, 837, 464
1841	14, 487, 217		3, 261	1, 365, 627		1, 004, 055	16, 860, 160	4, 407, 726	21, 267, 886	−9, 705, 713
1842	18, 187, 909		495	1, 335, 798		451, 996	19, 976, 198	4, 546, 850	24, 523, 048	−5, 229, 563
1843 [1]	7, 046, 844		103	897, 818		357, 937	8, 302, 702	4, 296, 225	12, 598, 927	−3, 555, 373
1844	26, 183, 571		1, 777	2, 059, 940		1, 076, 086	29, 321, 374	4, 237, 288	33, 558, 662	+6, 983, 803
1845	27, 528, 113		3, 517	2, 077, 022		361, 454	29, 970, 106	4, 289, 842	34, 259, 948	+7, 032, 698
1846	26, 712, 668		2, 897	2, 694, 452		289, 950	29, 699, 967	3, 487, 199	33, 187, 166	+1, 933, 042
1847	23, 747, 865		375	2, 498, 355		249, 174	26, 495, 769	3, 880, 309	30, 376, 078	−30, 785, 643
1848	31, 757, 071		375	3, 328, 643		649, 690	35, 735, 779	4, 555, 211	40, 290, 990	−9, 641, 447
1849	28, 346, 739			1, 688, 960		1, 172, 444	31, 208, 143	4, 705, 176	35, 913, 319	−13, 843, 514
1850	39, 668, 686			1, 859, 894		2, 074, 859	43, 603, 439	5, 499, 985	49, 103, 424	+4, 059, 947
1851	49, 017, 568			2, 352, 305		1, 189, 431	52, 559, 304	6, 410, 604	58, 969, 908	+4, 850, 287
1852	47, 339, 327			2, 043, 240		464, 249	49, 846, 816	5, 184, 527	55, 031, 343	+5, 651, 897
1853	58, 931, 866			1, 667, 085		988, 103	61, 587, 054	5, 240, 725	66, 827, 779	+13, 402, 943
1854	64, 224, 190			8, 470, 798		1, 105, 353	73, 800, 341	6, 255, 586	80, 055, 927	+15, 755, 479
1855	53, 025, 794			11, 497, 049		827, 732	65, 350, 575	6, 642, 136	71, 992, 711	+5, 607, 907
1856	64, 022, 863			8, 917, 645		1, 116, 191	74, 056, 699	6, 920, 822	80, 977, 521	+4, 485, 673
1857	63, 875, 905			3, 829, 487		1, 259, 921	68, 965, 313	7, 353, 952	76, 319, 265	+1, 169, 605
1858	41, 789, 621			3, 513, 716		1, 352, 029	46, 655, 366	7, 486, 793	54, 142, 159	−27, 529, 904
1859	49, 565, 824			1, 756, 687		2, 163, 954	53, 486, 465	7, 968, 484	61, 454, 949	−15, 584, 512
1860	53, 187, 512			1, 778, 558		1, 098, 538	56, 064, 608	8, 518, 067	64, 582, 675	−7, 065, 990
1861	39, 582, 126			870, 659		1, 057, 146	41, 509, 931	8, 349, 296	49, 859, 227	−25, 036, 714
1862	49, 056, 398			152, 204		2, 778, 854	51, 987, 456	8, 299, 821	60, 287, 277	−422, 774, 363
1863	69, 059, 642	$2, 741, 858	34, 898, 930	167, 617		5, 829, 244	112, 697, 291	11, 163, 790	123, 861, 081	−602, 043, 434
1864	102, 316, 153	20, 294, 732	89, 446, 402	588, 333		51, 981, 151	264, 626, 771	12, 438, 254	277, 065, 025	−600, 695, 871
1865	84, 928, 261	60, 979, 329	148, 484, 886	996, 553		38, 325, 576	333, 714, 605	14, 556, 159	348, 270, 764	−963, 840, 619
1866	179, 046, 652	72, 982, 159	236, 244, 654	665, 031		69, 094, 124	558, 032, 620	14, 386, 986	572, 419, 606	+37, 223, 203
1867	176, 417, 811	66, 014, 429	200, 013, 108	1, 163, 576		47, 025, 086	490, 634, 010	15, 237, 027	505, 871, 037	+133, 091, 335
1868	164, 464, 600	41, 455, 598	149, 631, 991	1, 348, 715		48, 737, 179	405, 638, 083	16, 292, 601	421, 930, 684	+28, 297, 798
1869	180, 048, 427	34, 791, 856	123, 564, 605	4, 020, 344		28, 518, 515	370, 943, 747	17, 314, 176	388, 257, 923	+48, 078, 469
1870	194, 538, 374	37, 775, 874	147, 123, 882	3, 350, 482		28, 466, 865	411, 255, 477	18, 879, 537	430, 135, 014	+101, 601, 916
1871	206, 270, 408	19, 162, 651	123, 935, 503	2, 388, 647		31, 566, 736	383, 323, 945	20, 037, 045	403, 360, 990	+91, 146, 757
1872	216, 370, 287	14, 436, 862	116, 205, 316	2, 575, 714		24, 518, 689	374, 106, 868	21, 915, 426	396, 022, 294	+96, 588, 905
1873	188, 089, 523	5, 062, 312	108, 667, 002	2, 882, 312		29, 037, 056	333, 738, 205	22, 996, 742	356, 734, 947	+43, 392, 960
1874	163, 103, 834	139, 472	102, 270, 313	1, 852, 429		37, 612, 708	304, 978, 756	26, 471, 072	331, 449, 828	+2, 344, 883

For footnotes, see p. 369.

TABLE 5.—*Receipts and expenditures for the fiscal years 1789 to 1932*—Continued

[On basis of warrants issued from 1789 to 1915, inclusive, and on basis of daily Treasury statements (unrevised), from 1916 to 1932, see p. 337. General, special, and trust funds combined. For explanation of funds, see p. 338]

Year	Ordinary receipts						Total ordinary receipts	Postal revenues, exclusive of surplus postal receipts covered into the Treasury	Total ordinary receipts and postal revenues	Surplus (+) or deficit (−) of ordinary receipts covered into the Treasury compared with expenditures chargeable against ordinary receipts
	Customs (including tonnage tax)	Internal revenue		Sales of public lands	Surplus postal receipts covered into the Treasury	Miscellaneous				
		Income and profits taxes	Miscellaneous							
1875	$157, 167, 722	$233	$110, 007, 261	$1, 413, 640		$19, 411, 195	$288, 000, 051	$26, 791, 314	$314, 791, 365	+$13, 376, 658
1876	148, 071, 985	588	116, 700, 144	1, 129, 467		28, 193, 681	294, 095, 865	28, 644, 198	322, 740, 063	+28, 994, 780
1877	130, 956, 493	98	118, 630, 310	976, 254		30, 843, 264	281, 406, 419	27, 531, 585	308, 938, 004	+40, 071, 944
1878	130, 170, 680		110, 581, 625	1, 079, 743		15, 931, 831	257, 763, 879	29, 277, 517	287, 041, 396	+20, 799, 552
1879	137, 250, 048		113, 561, 611	924, 781		22, 090, 745	273, 827, 185	30, 041, 983	303, 869, 168	+6, 879, 301
1880	186, 522, 064		124, 009, 374	1, 016, 507		21, 978, 666	333, 526, 611	33, 315, 479	366, 842, 090	+65, 883, 653
1881	198, 159, 676	3, 022	135, 261, 364	2, 201, 863		25, 156, 368	360, 782, 293	36, 785, 398	397, 567, 691	+100, 069, 405
1882	220, 410, 730		146, 497, 596	4, 753, 140		31, 863, 784	403, 525, 250	41, 876, 410	445, 401, 660	+145, 543, 810
1883	211, 706, 497		144, 720, 369	7, 955, 864		30, 904, 852	398, 287, 582	45, 508, 693	443, 796, 275	+132, 879, 444
1884	195, 067, 490	55, 628	121, 530, 445	9, 810, 705		22, 055, 602	348, 519, 870	43, 325, 959	391, 845, 829	+104, 393, 626
1885	181, 471, 939		112, 498, 726	5, 705, 986		24, 014, 055	323, 690, 706	42, 560, 844	366, 251, 550	+63, 463, 771
1886	192, 905, 023		116, 805, 936	5, 630, 999		21, 097, 768	336, 439, 726	43, 948, 423	380, 388, 149	+93, 956, 587
1887	217, 286, 893		118, 823, 391	9, 254, 286		26, 038, 707	371, 403, 277	48, 837, 609	420, 240, 886	+103, 471, 096
1888	219, 091, 174		124, 296, 872	11, 202, 017		24, 676, 012	379, 266, 075	52, 695, 177	431, 961, 252	+111, 341, 274
1889	223, 832, 742		130, 881, 514	8, 038, 652		24, 297, 151	387, 050, 059	56, 175, 611	443, 225, 670	+87, 761, 081
1890	229, 668, 585		142, 606, 706	6, 358, 273		24, 447, 420	403, 080, 984	60, 882, 098	463, 963, 082	+85, 040, 273
1891	219, 522, 205		145, 686, 250	4, 029, 535		23, 374, 457	392, 612, 447	65, 931, 786	458, 544, 233	+26, 838, 543
1892	177, 452, 964		153, 971, 072	3, 261, 876		20, 251, 872	354, 937, 784	70, 930, 476	425, 868, 260	+9, 914, 453
1893	203, 355, 017		161, 027, 624	3, 182, 090		18, 254, 898	385, 819, 629	75, 896, 933	461, 716, 562	+2, 341, 676
1894	131, 818, 531		147, 111, 233	1, 673, 637		25, 751, 915	306, 355, 316	75, 080, 479	381, 435, 795	−61, 169, 965
1895	152, 158, 617	77, 131	143, 344, 541	1, 103, 347		28, 045, 783	324, 729, 419	76, 983, 128	401, 712, 547	−31, 465, 879
1896	160, 021, 752		146, 762, 865	1, 005, 523		30, 352, 307	338, 142, 447	82, 499, 208	420, 641, 655	−14, 036, 999
1897	176, 554, 127		146, 688, 574	864, 581		23, 614, 423	347, 721, 705	82, 665, 463	430, 387, 168	−18, 052, 454
1898	149, 575, 062		170, 900, 642	1, 243, 129		83, 602, 502	405, 321, 335	89, 012, 619	494, 333, 954	−38, 047, 248
1899	206, 128, 482		273, 437, 162	1, 678, 247		34, 716, 730	515, 960, 621	95, 021, 384	610, 982, 005	−89, 111, 558
1900	233, 164, 871		295, 327, 927	2, 836, 883		35, 911, 171	567, 240, 852	102, 354, 579	669, 595, 431	+46, 380, 005
1901	238, 585, 456		307, 180, 664	2, 965, 120		38, 954, 098	587, 685, 338	111, 631, 193	699, 316, 531	+63, 068, 413
1902	254, 444, 708		271, 880, 122	4, 144, 123		32, 009, 280	562, 478, 233	121, 848, 047	684, 326, 280	+77, 243, 984
1903	284, 479, 582		230, 810, 124	8, 926, 311		37, 664, 705	561, 880, 722	134, 224, 443	696, 105, 165	+44, 874, 595
1904	261, 274, 565		232, 904, 119	7, 453, 480		39, 454, 921	541, 087, 085	143, 582, 624	684, 669, 709	−42, 572, 815
1905	261, 798, 857		234, 095, 741	4, 859, 250		43, 520, 837	544, 274, 685	152, 826, 585	697, 101, 270	−23, 004, 229
1906	300, 251, 878		249, 150, 213	4, 879, 834		40, 702, 521	594, 984, 446	167, 932, 783	762, 917, 229	+24, 782, 168
1907	332, 233, 363		269, 666, 773	7, 878, 811		56, 081, 439	665, 860, 386	183, 585, 006	849, 445, 392	+86, 731, 544

1908	286, 113, 130		251, 711, 127	9, 731, 560		54, 306, 090	601, 861, 907	191, 478, 663	793, 340, 570	−57, 334, 413
1909	300, 711, 934		246, 212, 644	7, 700, 568		49, 695, 352	604, 320, 498	203, 562, 383	807, 882, 881	−89, 423, 387
1910	333, 683, 445	20, 951, 781	268, 981, 738	6, 355, 797		45, 538, 954	675, 511, 715	224, 128, 658	899, 640, 373	−18, 105, 350
1911	314, 497, 071	33, 516, 977	289, 012, 224	5, 731, 637		59, 075, 002	701, 832, 911	237, 879, 824	939, 712, 735	+10, 631, 399
1912	311, 321, 672	28, 583, 304	293, 028, 896	5, 392, 797		54, 282, 535	692, 609, 204	246, 744, 016	939, 353, 220	+2, 727, 870
1913	318, 891, 396	35, 006, 300	309, 410, 666	2, 910, 205		57, 892, 663	724, 111, 230	266, 619, 526	990, 730, 756	−409, 733
1914	292, 320, 014	71, 381, 275	308, 659, 733	2, 571, 775	$3, 800, 000	55, 940, 370	734, 673, 167	284, 134, 566	1, 018, 807, 733	−408, 264
1915	209, 786, 672	80, 261, 759	335, 467, 887	2, 167, 136	3, 500, 000	66, 787, 373	697, 910, 827	283, 748, 165	981, 658, 992	−62, 675, 975
1916	213, 185, 846	124, 937, 253	387, 764, 776	1, 887, 662		54, 759, 011	782, 534, 548	312, 057, 689	1, 094, 592, 237	+48, 478, 346
1917	225, 962, 393	359, 681, 228	449, 684, 980	1, 892, 893	5, 200, 000	81, 903, 301	1, 124, 324, 795	324, 526, 116	1, 448, 850, 911	−853, 356, 956
1918	179, 998, 385	2, 314, 006, 292	872, 028, 020	1, 969, 455	48, 630, 701	247, 950, 012	3, 664, 582, 865	295, 845, 261	3, 960, 428, 126	−9, 033, 253, 840
1919	184, 457, 867	3, 018, 783, 687	1, 296, 501, 292	1, 404, 705	89, 906, 000	561, 203, 585	5, 152, 257, 136	274, 941, 126	5, 427, 198, 262	−13, 370, 637, 569
1920	322, 902, 650	3, 944, 949, 288	1, 460, 082, 287	1, 910, 140	5, 213, 000	959, 508, 024	6, 694, 565, 389	431, 937, 212	7, 126, 502, 601	+212, 475, 198
1921	308, 564, 391	3, 206, 046, 158	1, 390, 379, 823	1, 530, 439		718, 412, 150	5, 624, 932, 961	463, 491, 275	6, 088, 424, 236	+86, 723, 772
1922	356, 443, 387	2, 068, 128, 193	1, 145, 125, 064	895, 391	81, 494	538, 430, 622	4, 109, 104, 151	484, 772, 047	4, 593, 876, 198	+313, 801, 651
1923	561, 928, 867	1, 678, 607, 428	945, 865, 333	656, 508		820, 077, 345	4, 007, 135, 481	532, 827, 925	4, 539, 963, 406	+309, 657, 461
1924	545, 637, 504	1, 842, 144, 418	953, 012, 618	522, 223		670, 727, 939	4, 012, 044, 702	572, 948, 778	4, 584, 993, 480	+505, 366, 987
1925	547, 561, 226	1, 760, 537, 824	828, 638, 068	623, 534		642, 788, 033	3, 780, 148, 685	599, 591, 477	4, 379, 740, 162	+250, 505, 239
1926	579, 430, 093	1, 982, 040, 088	855, 599, 289	754, 253		544, 931, 967	3, 962, 755, 690	659, 819, 801	4, 622, 575, 491	+377, 767, 816
1927	605, 499, 983	2, 224, 992, 800	644, 421, 542	621, 187		653, 858, 929	4, 129, 394, 441	683, 121, 989	4, 812, 516, 430	+635, 809, 921
1928	568, 986, 188	2, 173, 952, 557	621, 018, 666	384, 651		678, 006, 094	4, 042, 348, 156	693, 633, 921	4, 735, 982, 077	+398, 828, 281
1929	602, 262, 786	2, 330, 711, 823	607, 307, 549	314, 568		492, 653, 499	4, 033, 250, 225	696, 947, 578	4, 730, 197, 803	+184, 787, 035
1930	587, 000, 903	2, 410, 986, 978	628, 308, 036	395, 744		551, 250, 041	4, 177, 941, 702	705, 484, 098	4, 883, 425, 800	+183, 789, 215
1931	378, 354, 005	1, 860, 394, 295	569, 386, 721	230, 302		508, 868, 171	3, 317, 233, 494	656, 463, 383	3, 973, 696, 877	−902, 716, 845
1932	[12] 327, 754, 969	1, 057, 335, 853	503, 670, 481	170, 339		232, 296, 364	2, 121, 228, 006	588, 171, 923	2, 709, 399, 929	−2, 885, 362, 299

For footnotes, see p. 369.

TABLE 5.—*Receipts and expenditures for the fiscal years 1789 to 1932* [1]—Continued

[On basis of warrants issued from 1789 to 1915, inclusive, and on basis of daily Treasury statements (unrevised) from 1916 to 1932, see p. 337. General, special, and trust funds combined. For explanation of funds, see p. 338]

Year	Expenditures chargeable against ordinary receipts										Postal expenditures [3] exclusive of postal deficiencies	Total ordinary and postal expenditures
	Ordinary								Public debt retirements chargeable against ordinary receipts [9]	Total expenditures chargeable against ordinary receipts		
	Civil and miscellaneous [5]	War Department (including rivers and harbors and Panama Canal) [6]	Navy Department [4]	Indians [2]	Pensions [7]	Postal deficiencies [8]	Interest on the public debt	Total ordinary expenditures				
1789-1791	$1,083,402	$632,804	$570	$27,000	$175,814	....	$2,349,437	$4,269,027	....	$4,269,027	$76,397	$4,345,424
1792	654,257	1,100,702	53	13,649	109,243	....	3,201,628	5,079,532	....	5,079,532	54,530	5,134,062
1793	472,451	1,130,249	....	27,283	80,088	....	2,772,242	4,482,313	....	4,482,313	72,039	4,554,352
1794	705,598	2,639,098	61,409	13,042	81,399	....	3,490,293	6,990,839	....	6,990,839	89,972	7,080,811
1795	1,367,037	2,480,910	410,562	23,476	68,673	....	3,189,151	7,539,809	....	7,539,809	117,893	7,657,702
1796	782,175	1,260,264	274,784	113,564	100,841	....	3,195,055	5,726,986	....	5,726,986	131,571	5,858,557
1797	1,256,903	1,039,403	382,632	62,396	92,257	....	3,300,043	6,133,634	....	6,133,634	150,114	6,283,748
1798	1,111,038	2,009,522	1,381,318	16,470	104,845	....	3,053,281	7,676,504	....	7,676,504	179,084	7,855,588
1799	1,039,392	2,466,947	2,858,082	20,302	95,444	....	3,186,288	9,666,455	....	9,666,455	188,037	9,854,492
1800	1,337,613	2,560,879	3,448,716	31	64,131	....	3,374,705	10,786,075	....	10,786,075	213,994	11,000,069
1801	1,114,768	1,672,944	2,111,424	9,000	73,533	....	4,412,913	9,394,582	....	9,394,582	255,151	9,649,733
1802	1,462,929	1,179,148	915,562	94,000	85,440	....	4,125,039	7,862,118	....	7,862,118	281,916	8,144,034
1803	1,842,636	822,056	1,215,231	60,000	62,902	....	3,848,828	7,851,653	....	7,851,653	322,364	8,174,017
1804	2,191,009	875,424	1,189,833	116,500	80,093	....	4,266,583	8,719,442	....	8,719,442	337,502	9,056,944
1805	3,768,599	712,781	1,597,500	196,500	81,855	....	4,148,999	10,506,234	....	10,506,234	377,367	10,883,601
1806	2,890,137	1,221,355	1,649,641	234,200	81,876	....	3,723,408	9,803,617	....	9,803,617	417,233	10,220,850
1807	1,697,898	1,288,686	1,722,064	205,425	70,500	....	3,369,578	8,354,151	....	8,354,151	453,885	8,808,036
1808	1,423,286	2,900,834	1,884,068	213,575	82,576	....	3,428,153	9,932,492	....	9,932,492	462,828	10,395,320
1809	1,215,804	3,345,772	2,427,759	337,501	87,834	....	2,866,075	10,280,748	....	10,280,748	498,012	10,778,760
1810	1,101,145	2,294,324	1,654,244	177,625	83,744	....	2,845,428	8,156,510	....	8,156,510	495,969	8,652,479
1811	1,367,291	2,032,828	1,965,566	151,875	75,044	....	2,465,733	8,058,337	....	8,058,337	499,098	8,557,435
1812	1,683,088	11,817,798	3,959,365	277,845	91,402	....	2,451,273	20,280,771	....	20,280,771	540,165	20,820,936
1813	1,729,436	19,652,013	6,446,600	167,358	86,990	....	3,599,455	31,681,852	....	31,681,852	681,011	32,362,863
1814	2,208,030	20,350,807	7,311,291	167,395	90,164	....	4,593,239	34,720,926	....	34,720,926	727,126	35,448,052
1815	2,898,870	14,794,294	8,660,000	530,750	69,656	....	5,754,569	32,708,139	....	32,708,139	748,121	33,456,260
1816	2,989,741	16,012,097	3,908,278	274,512	188,804	....	7,213,259	30,586,691	....	30,586,691	804,022	31,390,713
1817	3,518,937	8,004,237	3,314,598	319,461	297,374	....	6,389,210	21,843,820	....	21,843,820	916,515	22,760,335
1818	3,835,840	5,622,715	2,953,695	505,704	890,720	....	6,016,447	19,825,121	....	19,825,121	1,035,832	20,860,953
1819	3,067,211	6,506,300	3,847,640	463,181	2,415,940	....	5,163,538	21,463,810	....	21,463,810	1,117,861	22,581,671
1820	2,592,022	2,630,392	4,387,990	315,750	3,208,376	....	5,126,097	18,260,627	....	18,260,627	1,160,926	19,421,553
1821	2,223,122	4,461,292	3,319,243	477,005	242,817	....	5,087,274	15,810,753	....	15,810,753	1,165,481	16,976,234
1822	1,967,996	3,111,981	2,224,459	575,007	1,948,199	....	5,172,578	15,000,220	....	15,000,220	1,167,572	16,167,792

1823	2,022,094	3,096,924	2,503,766	380,782	1,780,589	----	4,922,685	14,706,840	----	14,706,840	1,156,995	15,863,835
1824	7,155,309	3,340,940	2,904,582	429,988	1,499,327	----	4,996,562	20,326,708	----	20,326,708	1,188,019	21,514,727
1825	2,748,545	3,659,914	3,049,084	724,106	1,308,811	----	4,366,769	15,857,229	----	15,857,229	1,229,043	17,086,272
1826	2,600,178	3,943,194	4,218,902	743,448	1,556,594	----	3,973,481	17,035,797	----	17,035,797	1,366,712	18,402,509
1827	2,713,477	3,938,978	4,263,877	760,625	976,139	----	3,486,072	16,139,168	----	16,139,168	1,469,959	17,609,127
1828	3,676,053	4,145,545	3,918,786	705,084	850,574	----	3,098,801	16,394,843	----	16,394,843	1,689,945	18,084,788
1829	3,101,515	4,724,291	3,308,745	576,345	949,594	----	2,542,843	15,203,333	----	15,203,333	1,782,132	16,985,465
1830	3,237,416	4,767,129	3,239,429	622,262	1,363,297	----	1,913,533	15,143,066	----	15,143,066	1,932,708	17,075,774
1831	3,064,646	4,841,836	3,856,183	930,738	1,170,665	----	1,383,583	15,247,651	----	15,247,651	1,936,122	17,183,773
1832	4,577,141	5,446,035	3,956,370	1,352,420	1,184,422	----	772,562	17,288,950	----	17,288,950	2,266,171	19,555,121
1833	5,716,246	6,704,019	3,901,357	1,802,981	4,589,152	----	303,797	23,017,552	----	23,017,552	2,930,414	25,947,966
1834	4,404,729	5,696,189	3,956,260	1,003,953	3,364,285	----	202,153	18,627,569	----	18,627,569	2,910,605	21,538,174
1835	4,229,699	5,759,157	3,864,939	1,706,444	1,954,711	----	57,863	17,572,813	----	17,572,813	2,757,350	20,330,163
1836	5,393,280	12,169,227	5,807,718	4,615,141	2,882,798	----	----	30,868,164	----	30,868,164	2,841,766	33,709,930
1837	9,893,609	13,682,734	6,646,915	4,348,076	2,672,162	----	----	37,243,496	----	37,243,496	3,288,319	40,531,815
1838	7,160,965	12,897,224	6,131,596	5,504,191	2,156,086	----	14,997	33,865,059	----	33,865,059	4,430,662	38,295,721
1839	5,728,203	8,916,996	6,182,294	2,528,917	3,142,884	----	399,834	26,899,128	----	26,899,128	4,636,536	31,535,664
1840	5,996,269	7,097,070	6,113,897	2,331,795	2,603,950	----	174,598	24,317,579	----	24,317,579	4,718,236	29,035,815
1841	6,084,037	8,805,565	6,001,077	2,594,063	2,388,496	$407,657	284,978	26,565,873	----	26,565,873	4,092,030	30,657,903
1842	6,788,853	6,611,887	8,397,243	1,201,062	1,379,469	53,697	773,550	25,205,761	----	25,205,761	5,617,366	30,823,127
1843 [1]	3,203,163	2,957,300	3,727,711	581,680	843,323	21,303	523,595	11,858,075	----	11,858,075	4,353,541	16,211,616
1844	5,616,408	5,179,220	6,498,199	1,179,279	2,030,598	----	1,833,867	22,337,571	----	22,337,571	4,298,628	26,636,199
1845	5,910,028	5,752,644	6,297,245	1,540,817	2,396,642	----	1,040,032	22,937,408	----	22,937,408	4,326,692	27,264,100
1846	6,034,324	10,792,867	6,454,947	1,021,461	1,810,371	810,232	842,723	27,766,925	----	27,766,925	3,310,286	31,077,211
1847	6,201,519	38,305,520	7,900,636	1,470,306	1,747,917	536,299	1,119,215	57,281,412	----	57,281,412	3,544,829	60,826,241
1848	5,620,678	25,501,963	9,408,476	1,221,792	1,211,270	22,222	2,390,825	45,377,226	----	45,377,226	4,358,238	49,735,464
1849	14,143,278	14,852,966	9,786,706	1,373,119	1,330,010	----	3,565,578	45,051,657	----	45,051,657	4,477,664	49,529,321
1850	14,920,119	9,400,239	7,904,709	1,665,802	1,870,292	----	3,782,331	39,543,492	----	39,543,492	5,213,245	44,756,737
1851	18,008,594	11,811,793	9,005,931	2,895,760	2,290,278	----	3,696,721	47,709,017	----	47,709,017	6,278,710	53,987,727
1852	16,590,773	8,225,247	8,952,801	2,980,403	2,403,953	1,041,444	4,000,298	44,194,919	----	44,194,919	6,066,106	50,261,025
1853	15,814,840	9,947,291	10,918,781	3,905,745	1,777,871	2,153,750	3,665,833	48,184,111	----	48,184,111	5,829,339	54,013,450
1854	26,443,374	11,733,629	10,798,586	1,553,031	1,237,879	3,207,346	3,071,017	58,044,862	----	58,044,862	5,400,940	63,445,802
1855	22,010,924	14,773,826	13,312,024	2,792,552	1,450,153	3,078,814	2,314,375	59,742,668	----	59,742,668	6,890,178	66,632,846
1856	29,310,469	16,948,197	14,091,781	2,769,430	1,298,209	3,199,118	1,953,822	69,571,026	----	69,571,026	7,208,750	76,779,776
1857	24,911,223	19,261,774	12,747,977	4,267,543	1,312,043	3,616,883	1,678,265	67,795,708	----	67,795,708	7,890,787	75,686,495
1858	22,255,130	25,485,383	13,984,551	4,926,739	1,217,488	4,748,923	1,567,056	74,185,270	----	74,185,270	7,972,714	82,157,984
1859	18,891,737	23,243,823	14,642,990	3,625,027	1,220,378	4,808,558	2,638,464	69,070,977	----	69,070,977	6,648,954	75,719,931
1860	18,086,888	16,409,767	11,514,965	2,949,191	1,102,926	9,889,546	3,177,315	63,130,598	----	63,130,598	9,281,060	72,411,658
1861	18,096,116	22,981,150	12,420,888	2,841,358	1,036,064	5,170,895	4,000,174	66,546,645	----	66,546,645	8,430,368	74,977,013
1862	17,846,762	394,368,407	42,668,277	2,273,224	853,095	3,561,729	13,190,325	474,761,819	----	474,761,819	7,564,236	482,326,055
1863	22,507,651	599,298,601	63,221,964	3,154,357	1,078,991	749,314	24,729,847	714,740,725	----	714,740,725	10,557,101	725,297,826
1864	26,565,619	690,791,843	85,725,995	2,629,859	4,983,924	999,980	53,685,422	865,322,642	----	865,322,642	11,843,089	877,165,731
1865	44,515,558	1,031,323,361	122,612,945	5,116,837	16,338,811	250,000	77,397,712	1,297,555,224	----	1,297,555,224	13,388,909	1,310,944,133
1866	41,115,438	284,449,702	43,324,118	3,247,065	15,605,352	----	133,067,742	520,809,417	----	520,809,417	15,320,837	536,130,254
1867	58,406,906	95,224,415	31,034,011	4,642,532	20,936,552	3,516,667	143,781,592	357,542,675	----	357,542,675	15,692,712	373,235,387
1868	55,957,827	123,246,648	25,775,503	4,100,682	23,782,387	4,053,192	140,424,046	377,340,285	----	377,340,285	18,784,757	396,125,042
1869	52,753,231	78,501,991	20,000,758	7,042,923	28,476,622	5,395,510	130,694,243	322,865,278	----	322,865,278	18,282,403	341,147,681
1870	64,389,438	57,655,676	21,780,230	3,407,938	28,340,202	4,844,579	129,235,498	309,653,561	----	309,653,561	19,132,812	328,786,373
1871	64,367,461	35,799,992	19,431,027	7,426,997	34,443,895	5,131,250	125,576,566	292,177,188	----	292,177,188	19,264,548	311,441,736
1872	62,768,024	35,372,157	21,249,810	7,061,729	28,533,403	5,175,000	117,357,840	277,517,963	----	277,517,963	21,489,520	299,007,483
1873	72,943,555	46,323,138	23,526,257	7,951,705	29,359,427	5,490,475	104,750,688	290,345,245	----	290,345,245	23,635,159	313,980,404

For footnotes see p. 369.

TABLE 5.—*Receipts and expenditures for the fiscal years 1789 to 1932*—Continued

[On basis of warrants issued from 1789 to 1915, inclusive, and on basis of daily Treasury statements (unrevised) from 1916 to 1932, see p. 337. General, special, and trust funds combined. For explanation of funds, see p. 538]

Year	Expenditures chargeable against ordinary receipts										Postal expenditures exclusive of postal deficiencies	Total ordinary and postal expenditures
	Ordinary								Public debt retirements chargeable against ordinary receipts	Total expenditures chargeable against ordinary receipts		
	Civil and miscellaneous	War Department (including rivers and harbors and Panama Canal)	Navy Department	Indians	Pensions	Postal deficiencies	Interest on the public debt	Total ordinary expenditures				
1874	$81, 822, 622	$42, 313, 927	$30, 932, 587	$6, 692, 462	$29, 038, 415	$4, 714, 015	$107, 119, 815	$302, 633, 873	----------	$302, 633, 873	$27, 514, 935	$330, 148, 808
1875	63, 859, 057	41, 120, 646	21, 497, 626	8, 384, 657	29, 456, 216	7, 211, 646	103, 093, 545	274, 623, 393	----------	274, 623, 393	26, 399, 988	301, 023, 381
1876	68, 507, 121	38, 070, 889	18, 963, 310	5, 966, 558	28, 257, 396	5, 092, 540	100, 243, 271	265, 101, 085	----------	265, 101, 085	28, 198, 911	293, 299, 996
1877	52, 756, 194	37, 082, 736	14, 959, 935	5, 277, 007	27, 963, 752	6, 170, 339	97, 124, 512	241, 334, 475	----------	241, 334, 475	27, 488, 602	268, 823, 077
1878	47, 424, 310	32, 154, 148	17, 365, 301	4, 629, 280	27, 137, 019	5, 753, 394	102, 500, 875	236, 964, 327	----------	236, 964, 327	28, 429, 152	265, 393, 479
1879	60, 968, 032	40, 425, 661	15, 125, 127	5, 206, 109	35, 121, 482	4, 773, 524	105, 327, 949	266, 947, 884	----------	266, 947, 884	28, 684, 392	295, 632, 276
1880	54, 437, 850	38, 116, 916	13, 536, 985	5, 945, 457	56, 777, 175	3, 071, 000	95, 757, 575	267, 642, 958	----------	267, 642, 958	33, 466, 433	301, 109, 391
1881	61, 581, 934	40, 466, 461	15, 686, 672	6, 514, 161	50, 059, 280	3, 895, 639	82, 508, 741	260, 712, 888	----------	260, 712, 888	35, 711, 718	296, 424, 606
1882	57, 219, 751	43, 570, 494	15, 032, 046	9, 736, 748	61, 345, 194	----------	71, 077, 207	257, 981, 440	----------	257, 981, 440	40, 622, 487	298, 603, 927
1883	68, 603, 519	48, 911, 383	15, 283, 437	7, 362, 591	66, 012, 574	71, 503	59, 160, 131	265, 408, 138	----------	265, 408, 138	43, 252, 837	308, 660, 975
1884	70, 920, 434	39, 429, 603	17, 292, 601	6, 475, 999	55, 429, 228	----------	54, 578, 379	244, 126, 244	----------	244, 126, 244	47, 233, 016	291, 359, 260
1885	82, 952, 647	42, 670, 578	16, 021, 080	6, 552, 495	56, 102, 268	4, 541, 611	51, 386, 256	260, 226, 935	----------	260, 226, 935	45, 508, 605	305, 735, 540
1886	65, 973, 278	34, 324, 153	13, 907, 888	6, 099, 158	63, 404, 864	8, 193, 652	50, 580, 146	242, 483, 139	----------	242, 483, 139	42, 823, 266	285, 306, 405
1887	78, 763, 579	38, 561, 026	15, 141, 127	6, 194, 523	75, 029, 102	6, 501, 217	47, 741, 577	267, 932, 181	----------	267, 932, 181	46, 481, 381	314, 413, 562
1888	78, 167, 066	38, 522, 436	16, 926, 438	6, 249, 308	80, 288, 509	3, 056, 037	44, 715, 007	267, 924, 801	----------	267, 924, 801	53, 411, 606	321, 336, 407
1889	94, 087, 507	44, 435, 271	21, 378, 809	6, 892, 208	87, 624, 779	3, 868, 920	41, 001, 484	299, 288, 978	----------	299, 288, 978	58, 475, 796	357, 764, 774
1890	94, 832, 444	44, 582, 838	22, 006, 206	6, 708, 047	106, 936, 855	6, 875, 037	36, 099, 284	318, 040, 711	----------	318, 040, 711	59, 407, 825	377, 448, 536
1891	115, 707, 616	48, 720, 065	26, 113, 896	8, 527, 469	124, 415, 951	4, 741, 772	37, 547, 135	365, 773, 904	----------	365, 773, 904	68, 340, 624	434, 114, 528
1892	95, 790, 499	46, 895, 456	29, 174, 139	11, 150, 578	134, 583, 053	4, 051, 490	23, 378, 116	345, 023, 331	----------	345, 023, 331	72, 989, 962	418, 013, 293
1893	97, 786, 004	49, 641, 773	30, 136, 084	13, 345, 347	159, 357, 558	5, 946, 795	27, 264, 392	383, 477, 953	----------	383, 477, 953	75, 666, 927	459, 144, 880
1894	93, 693, 884	54, 567, 930	31, 701, 294	10, 293, 482	141, 177, 285	8, 250, 000	27, 841, 406	367, 525, 281	----------	367, 525, 281	76, 807, 994	444, 333, 275
1895	82, 263, 188	51, 804, 759	28, 797, 796	9, 939, 754	141, 395, 229	11, 016, 542	30, 978, 030	356, 195, 298	----------	356, 195, 298	76, 197, 028	432, 392, 326
1896	77, 916, 235	50, 830, 921	27, 147, 732	12, 165, 528	139, 434, 001	9, 300, 000	35, 385, 029	352, 179, 446	----------	352, 179, 446	81, 643, 410	433, 822, 856
1897	79, 252, 062	48, 950, 268	34, 561, 546	13, 016, 802	141, 053, 165	11, 149, 206	37, 791, 110	365, 774, 159	----------	365, 774, 159	82, 947, 836	448, 721, 995
1898	86, 016, 465	91, 992, 000	58, 823, 985	10, 994, 668	147, 452, 369	10, 504, 040	37, 585, 056	443, 368, 583	----------	443, 368, 583	87, 563, 130	530, 931, 713
1899	110, 979, 686	229, 841, 254	63, 942, 101	12, 805, 711	139, 394, 929	8, 211, 570	39, 896, 925	605, 072, 179	----------	605, 072, 179	93, 139, 950	698, 512, 129
1900	131, 689, 466	134, 774, 768	55, 953, 078	10, 175, 107	140, 877, 316	7, 230, 779	40, 160, 333	520, 860, 847	----------	520, 860, 847	100, 534, 158	621, 395, 005
1901	131, 976, 814	144, 615, 697	60, 506, 978	10, 896, 073	139, 323, 622	4, 954, 762	32, 342, 979	524, 616, 925	----------	524, 616, 925	110, 657, 952	635, 274, 877
1902	125, 110, 562	112, 272, 216	67, 803, 128	10, 049, 585	138, 488, 560	2, 402, 153	29, 108, 045	485, 234, 249	----------	485, 234, 249	122, 407, 664	607, 641, 313
1903	133, 072, 506	118, 629, 505	82, 618, 031	12, 935, 168	138, 425, 646	2, 768, 919	28, 556, 349	517, 006, 127	----------	517, 006, 127	136, 042, 501	653, 048, 628
1904	131, 357, 250	165, 199, 911	102, 956, 102	10, 438, 350	142, 559, 266	6, 502, 531	24, 646, 490	583, 659, 900	----------	583, 659, 900	145, 892, 863	729, 552, 763

1905	127, 968, 472	126, 093, 894	117, 550, 308	14, 236, 074	141, 773, 965	15, 065, 257	24, 590, 944	567, 278, 914	----------	567, 278, 914	152, 355, 715	719, 634, 629
1906	131, 638, 657	137, 326, 066	110, 474, 264	12, 746, 859	141, 034, 562	12, 673, 294	24, 308, 576	570, 202, 278	----------	570, 202, 278	165, 802, 431	736, 004, 709
1907	145, 641, 626	149, 775, 084	97, 128, 469	15, 163, 608	139, 309, 514	7, 629, 383	24, 481, 158	579, 128, 842	----------	579, 128, 842	182, 647, 654	761, 776, 496
1908	162, 532, 368	175, 840, 453	118, 037, 097	14, 579, 756	153, 892, 467	12, 888, 041	21, 426, 138	659, 196, 320	----------	659, 196, 320	195, 500, 901	854, 697, 221
1909	167, 001, 087	192, 486, 904	115, 546, 011	15, 694, 618	161, 710, 367	19, 501, 062	21, 803, 836	693, 743, 885	----------	693, 743, 885	201, 541, 092	895, 284, 977
1910	171, 580, 830	189, 823, 379	123, 173, 717	18, 504, 132	160, 696, 416	8, 495, 612	21, 342, 979	693, 617, 065	----------	693, 617, 065	221, 514, 528	915, 131, 593
1911	173, 838, 599	197, 199, 491	119, 937, 644	20, 933, 869	157, 980, 575	----------	21, 311, 334	691, 201, 512	----------	691, 201, 512	237, 660, 705	928, 862, 217
1912	172, 256, 794	184, 122, 793	135, 591, 956	20, 134, 840	153, 590, 456	1, 568, 195	22, 616, 300	689, 881, 334	----------	689, 881, 334	246, 961, 344	936, 842, 678
1913	169, 802, 304	202, 128, 711	133, 262, 862	20, 306, 159	175, 085, 450	1, 027, 369	22, 899, 108	724, 511, 963	----------	724, 511, 963	261, 081, 506	985, 593, 469
1914	170, 530, 235	208, 349, 746	139, 682, 186	20, 215, 076	173, 410, 231	----------	22, 863, 957	735, 081, 431	----------	735, 081, 431	283, 558, 103	1, 018, 639, 534
1915	200, 533, 231	202, 160, 134	141, 835, 654	22, 130, 351	164, 387, 942	6, 636, 593	22, 902, 897	760, 586, 802	----------	760, 586, 802	291, 944, 881	1, 052, 531, 683
1916	191, 752, 692	183, 176, 439	153, 853, 567	17, 570, 284	159, 302, 351	5, 500, 000	22, 900, 869	734, 056, 202	----------	734, 056, 202	300, 728, 453	1, 034, 784, 655
1917	1, 144, 448, 923	377, 940, 870	239, 632, 757	30, 598, 093	160, 318, 406	----------	24, 712, 702	1, 977, 681, 751	----------	1, 977, 681, 751	319, 889, 904	2, 297, 571, 655
1918	6, 143, 916, 172	4, 869, 955, 286	1, 278, 840, 487	30, 888, 400	181, 137, 751	2, 221, 095	189, 743, 277	12, 696, 702, 471	$1, 134, 234	12, 697, 836, 705	322, 628, 094	13, 020, 464, 799
1919	6, 627, 726, 263	9, 009, 075, 789	2, 002, 310, 785	34, 593, 257	221, 614, 781	343, 511	619, 215, 569	18, 514, 879, 955	8, 014, 750	18, 522, 894, 705	362, 160, 763	18, 885, 055, 468
1920	2, 771, 141, 778	1, 621, 953, 095	736, 021, 456	40, 516, 832	213, 314, 201	114, 854	1, 020, 251, 622	6, 403, 343, 841	78, 746, 350	6, 482, 090, 191	[10] 418, 607, 441	6, 900, 697, 632
1921	1, 916, 122, 018	1, 118, 076, 423	650, 373, 836	41, 470, 808	260, 611, 416	130, 128, 458	999, 144, 731	5, 115, 927, 689	[11] 422, 281, 500	5, 538, 209, 189	[10] 489, 506, 490	6, 027, 715, 680
1922	1, 091, 652, 312	457, 756, 139	476, 775, 194	38, 500, 413	252, 576, 848	64, 346, 235	991, 000, 759	3, 372, 607, 900	422, 694, 600	3, 795, 302, 500	[10] 481, 316, 006	4, 276, 618, 506
1923	1, 166, 634, 334	397, 050, 596	333, 201, 362	45, 142, 763	264, 147, 869	32, 526, 915	1, 055, 923, 690	3, 294, 627, 529	402, 850, 491	3, 697, 478, 020	524, 366, 214	4, 221, 844, 234
1924	1, 131, 154, 606	357, 016, 878	332, 249, 137	46, 754, 026	228, 261, 555	12, 638, 850	940, 602, 913	3, 048, 677, 965	457, 999, 750	3, 506, 677, 715	574, 773, 905	4, 081, 451, 620
1925	1, 183, 882, 296	370, 980, 708	346, 142, 001	38, 755, 457	218, 321, 424	23, 216, 784	881, 806, 662	3, 063, 105, 332	466, 538, 114	3, 529, 643, 446	616, 119, 721	4, 145, 763, 167
1926	1, 293, 702, 536	364, 089, 945	312, 743, 410	48, 412, 120	207, 189, 622	39, 506, 490	831, 937, 700	3, 097, 611, 823	487, 376, 051	3, 584, 987, 874	640, 285, 690	4, 225, 273, 561
1927	1, 204, 375, 973	369, 114, 122	318, 909, 096	36, 791, 656	230, 556, 065	27, 263, 191	787, 019, 578	2, 974, 029, 675	519, 554, 845	3, 493, 584, 519	687, 364, 998	4, 180, 949, 518
1928	1, 340, 702, 732	400, 989, 683	331, 335, 492	36, 990, 808	229, 401, 462	32, 080, 202	731, 761, 476	3, 103, 264, 855	540, 255, 020	3, 643, 519, 875	693, 674, 815	4, 337, 194, 690
1929	1, 471, 452, 939	425, 947, 194	364, 561, 544	34, 086, 586	229, 781, 079	94, 699, 744	678, 330, 100	3, 298, 859, 486	549, 603, 704	3, 848, 463, 190	687, 709, 010	4, 536, 172, 200
1930	1, 597, 512, 107	464, 853, 515	374, 165, 639	32, 066, 628	220, 608, 931	91, 714, 451	659, 347, 613	3, 440, 268, 884	553, 883, 603	3, 994, 152, 487	711, 985, 635	4, 706, 138, 122
1931	1, 910, 062, 746	487, 718, 031	354, 071, 004	37, 489, 333	233, 323, 908	145, 643, 613	611, 559, 704	3, 779, 868, 339	440, 082, 000	4, 219, 950, 339	656, 885, 960	4, 876, 836, 299
1932	2, 690, 252, 971	478, 888, 650	357, 820, 860	32, 608, 236	232, 236, 866	202, 876, 341	599, 276, 631	4, 593, 960, 555	412, 629, 750	5, 006, 590, 305	590, 846, 193	5, 597, 436, 498

[1] From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

[2] On basis of warrants issued from 1789 to 1932.

[3] Postal revenues and expenditures, except surplus postal receipts covered into the Treasury and postal deficiencies paid out of the general fund of the Treasury, are based upon reports of the Post Office Department. Postal expenditures include adjusted losses, etc.—postal funds—and expenditures from postal balances; but are exclusive of departmental expenditures in Washington, D. C., to the close of fiscal year 1922, and amounts transferred to the civil service retirement and disability fund, fiscal years 1921 to 1926, inclusive. For the years 1927 to 1932, inclusive, the 3½ per cent salary deductions are included in "Postal expenditures," the said deductions having been paid to and deposited by the disbursing clerk of the Pension Bureau for credit of the retirement fund.

[4] Surplus or deficit excludes postal receipts and expenditures therefrom but includes public debt expenditures chargeable against ordinary receipts, beginning with 1921.

[5] Includes civil expenditures under War and Navy Departments in Washington, to and including fiscal year 1920, and unavailable funds charged off under act of June 3, 1922 (42 Stat. 1592).

[6] Exclusive of civil expenditures under War Department and Navy Department in Washington to and including fiscal year 1920.

[7] On basis of warrants issued from 1789 to 1932. Includes only Army and Navy pensions for service prior to World War, and fees of examining surgeons in Pensions Bureau, and is exclusive of payments made by the War Risk Insurance Bureau and Veterans' Bureau to veterans of the World War, and salaries under Bureau of Pensions, which are included in civil and miscellaneous expenditures.

[8] Prior to 1922 on basis of warrants issued. Exclusive of amounts transferred to the civil service retirement and disability fund under act of May 22, 1920 (41 Stat. 614), and amendments thereto on account of salary deductions of 2½ per cent, as follows: 1921, $6,519,683.59; 1922, $7,899,006.28; 1923, $8,284,081; 1924, $8,679,658.60; 1925, $10,266,977.47; and 1926, $10,472,289.59. See Note 3.

[9] At par.

[10] Additional compensation, Postal Service, under joint resolution of Nov. 8, 1919 (41 Stat. 359), is included in "postal deficiencies," as follows: 1920, $35,698,400: 1921, $1,374,014.56; 1922, $22,397.37.

[11] Ordinary receipts and public debt retirements chargeable against ordinary receipts for 1921 exclude $1,842,066.15 written off the debt Dec. 31, 1920. See page 423, note 1.

[12] Exclusive of $1,606,198 of tonnage tax. Beginning with the fiscal year 1932 tonnage tax has been covered into the Treasury as miscellaneous receipts.

TABLE 6.—*Summary of ordinary receipts, expenditures chargeable against ordinary receipts, and excess of receipts or expenditures, by months, from July 1, 1931, to October 31, 1932*

[On basis of daily Treasury statements (unrevised), see p. 337]

(Beginning with the fiscal year 1931, receipts and expenditures were classified according to general, special, and trust funds in the daily Treasury statement in order to conform to the practice of the Bureau of the Budget. In the following table, however, transactions in general, special, and trust funds are combined for purposes of historical comparison. For explanation of funds, see p. 338)

Month	Ordinary receipts					Expenditures chargeable against ordinary receipts			Excess of receipts (+), excess of expenditures (−)
	Customs [1]	Income taxes	Miscellaneous internal revenue	Miscellaneous receipts, including Panama Canal	Total	Ordinary	Public debt retirements	Total	
Fiscal year 1932									
July	$34,178,525.41	$23,209,158.17	$51,366,051.51	$22,652,350.76	$131,706,085.88	$330,661,313.39		$330,661,313.39	−$198,955,227.51
August	38,241,464.01	23,370,307.99	43,896,441.63	16,632,945.77	122,141,159.43	323,838,459.49		323,838,459.49	−201,697,300.06
September	35,500,342.25	267,257,651.51	47,933,060.00	18,100,641.70	368,791,698.46	356,629,702.32		356,629,702.32	+12,161,996.14
October	35,175,567.53	25,284,502.46	46,595,831.71	27,592,778.56	134,648,683.29	416,472,399.31		416,472,399.31	−281,823,716.02
November	27,415,184.80	18,792,885.91	41,096,097.55	18,969,436.48	106,303,604.74	266,933,927.31	$25,718,500.00	292,652,427.31	−186,348,822.57
December	26,550,014.36	257,409,833.23	39,882,116.92	18,428,954.85	342,270,919.36	532,749,035.12	329,599,200.00	862,348,235.12	−520,077,315.76
January	27,180,705.72	20,493,566.41	39,832,636.03	20,240,697.85	107,747,606.01	232,919,028.07	7,500.00	232,926,528.07	−125,178,922.06
February	23,191,118.24	22,303,433.67	35,593,770.59	16,051,552.76	97,140,205.26	370,982,267.52	4,000.00	370,986,267.52	−273,846,062.26
March	23,231,192.56	195,410,823.08	39,353,618.92	17,936,320.56	275,931,955.12	385,457,811.45	28,500.00	385,486,311.45	−109,554,356.33
April	21,383,481.88	19,771,740.53	35,492,869.42	22,174,103.81	98,822,195.64	543,752,882.55	6,000.00	543,758,882.55	−444,936,686.91
May	18,003,900.39	22,674,734.30	36,295,642.64	14,661,105.84	91,635,383.17	417,619,336.99	30,000,000.00	417,619,336.99	−355,983,953.82
June	17,373,141.91	161,357,212.93	46,332,341.24	19,025,813.61	244,088,509.69	415,941,391.55	27,266,050.00	443,210,441.55	−199,121,931.86
Total	327,754,969.12	1,057,335,853.19	503,670,481.19	232,466,702.55	2,121,228,006.05	4,593,960,555.07	412,629,750.00	5,006,590,305.07	[2] −2,885,362,299.02
Fiscal year 1933									
July	18,876,483.10	16,710,866.48	42,463,659.42	22,600,919.20	100,651,928.20	347,888,901.98		347,888,901.98	−247,236,973.78
August	24,116,051.68	15,416,230.01	54,584,389.25	17,016,450.08	111,133,121.02	257,083,976.71		257,083,976.71	−145,950,855.69
September	25,935,509.54	142,021,018.14	72,778,032.88	19,223,255.77	259,957,816.33	265,717,998.37	7,000.00	265,724,998.37	−5,767,182.04
October	24,744,146.02	13,627,862.50	78,014,274.76	31,587,279.48	148,003,562.76	373,208,511.10		373,208,511.10	−225,204,948.34
Total July 1, 1932, to Oct. 31, 1932	93,672,190.34	187,775,977.13	247,870,356.31	90,427,904.53	619,746,428.31	1,243,899,388.16	7,000.00	1,243,906,388.16	−624,159,959.85

[1] Beginning with the fiscal year 1932, tonnage tax has been covered into the Treasury as miscellaneous receipts.
[2] For deficit exclusive of trust fund receipts and expenditures, see p. 28.

TABLE 7.—*Expenditures, by months, classified according to organization units, for the fiscal year 1932*

[NOTE—Excess credits in italics to be deducted. On basis of daily Treasury statements (unrevised), see p. 337.]

(Beginning with the fiscal year 1931, receipts and expenditures were classified according to general, special, and trust funds in the daily Treasury statement in order to conform to the practice of the Bureau of the Budget. In the following table, however, transactions in general, special, and trust funds are combined for purposes of historical comparison. For explanation of funds, see p. 338.)

Class of expenditure	1931 July	1931 August	1931 September	1931 October	1931 November	1931 December	1932 January
ORDINARY							
General expenditures:							
Legislative establishment	$2, 669, 650. 69	$1, 827, 597. 52	$2, 276, 098. 14	$2, 089, 112. 64	$2, 351, 173. 38	$2, 351, 619. 05	$2, 406, 440. 29
Executive Office	44, 048. 55	37, 672. 14	33, 974. 27	41, 461. 33	33, 789. 58	32, 526. 51	33, 337. 56
State Department	2, 108, 294. 42	2, 267, 680. 35	3, 402, 298. 62	1, 528, 886. 21	1, 090, 238. 81	1, 377, 014. 14	1, 149, 478. 11
Treasury Department	25, 519, 774. 19	17, 792, 342. 93	56, 814, 289. 05	20, 220, 031. 17	20, 864, 670. 53	22, 945, 339. 77	22, 169, 649. 00
War Department	46, 200, 508. 49	45, 831, 395. 32	44, 170, 351. 82	44, 242, 385. 36	42, 959, 032. 79	39, 814, 728. 60	35, 465, 799. 78
Department of Justice	4, 211, 237. 87	3, 957, 694. 90	3, 685, 696. 70	5, 184, 019. 55	4, 126, 761. 24	4, 133, 121. 19	4, 829, 121. 43
Post Office Department	10, 264. 06	13, 000. 00	5, 228. 31	2, 654. 88	11, 400. 00	10, 000. 00	
Navy Department	31, 300, 450. 83	31, 902, 990. 11	28, 979, 273. 40	29, 925, 374. 21	28, 497, 269. 20	34, 349, 261. 39	30, 973, 745. 37
Interior Department	8, 284, 342. 83	8, 471, 577. 54	8, 292, 754. 05	7, 232, 041. 89	7, 026, 068. 71	4, 648, 404. 40	9, 820, 370. 19
Department of Agriculture	51, 791, 015. 28	51, 874, 097. 91	42, 731, 282. 84	40, 913, 103. 73	26, 394, 137. 14	21, 929, 882. 78	12, 735, 175. 18
Department of Commerce	4, 765, 453. 54	4, 865, 213. 38	4, 864, 981. 24	4, 817, 088. 76	4, 414, 449. 11	4, 380, 921. 70	4, 049, 408. 82
Department of Labor	1, 026, 627. 73	1, 005, 425. 29	1, 141, 474. 35	1, 371, 685. 39	1, 119, 209. 55	1, 525, 758. 20	822, 473. 37
Veterans' Administration	66, 617, 303. 52	66, 579, 178. 80	64, 744, 801. 62	66, 207, 954. 84	66, 597, 276. 51	67, 502, 613. 35	66, 052, 548. 19
Other independent offices and commissions	4, 414, 764. 78	3, 386, 820. 32	3, 457, 159. 86	4, 124, 587. 29	4, 084, 150. 71	4, 691, 250. 05	6, 317, 819. 23
District of Columbia	3, 608, 413. 04	3, 919, 347. 65	3, 498, 510. 02	4, 364, 906. 38	4, 130, 346. 89	4, 991, 769. 08	3, 489, 483. 03
Total	252, 572, 149. 82	243, 732, 034. 16	268, 101, 174. 29	232, 265, 293. 63	213, 702, 974. 18	214, 684, 210. 21	200, 314, 849. 55
Unclassified items	*517, 502. 24*	847, 231. 81	*475, 844. 12*	315, 274. 17	125, 236. 86	453, 487. 92	*543, 891. 13*
Total	252, 054, 647. 58	244, 579, 265. 97	267, 625, 330. 17	232, 580, 567. 80	213, 828, 211. 04	215, 137, 698. 13	199, 770, 958. 42
Interest on public debt	10, 526, 224. 82	3, 224, 133. 81	32, 669, 150. 74	134, 180, 469. 20	15, 110, 878. 47	95, 197, 542. 40	12, 905, 941. 14
Refunds of receipts:							
Customs	1, 456, 071. 05	1, 512, 347. 76	1, 314, 688. 15	1, 482, 703. 06	1, 504, 040. 79	2, 095, 592. 96	1, 296, 553. 78
Internal Revenue	6, 020, 082. 25	8, 380, 078. 87	8, 577, 851. 82	5, 618, 093. 02	5, 848, 152. 55	8, 015, 055. 82	4, 817, 102. 44
Postal deficiency		20, 000, 000. 00	25, 000, 000. 00	20, 000, 000. 00	20, 000, 000. 00	10, 000, 000. 00	10, 000, 000. 00
Panama Canal	1, 036, 226. 13	1, 185, 127. 65	1, 117, 022. 17	769, 630. 95	705, 859. 87	729, 915. 81	815, 423. 40
Subscription to stock of Reconstruction Finance Corporation							
Subscription to stock of Federal land banks							
Operations in special accounts:							
Railroads	*5, 023. 21*	9, 611. 88	*561, 726. 84*	*86, 199. 02*	6, 515. 30	*101, 613. 90*	*22, 942. 48*
War Finance Corporation	*4, 075. 61*	*596. 87*	491. 95	415. 77	*44. 29*	474. 96	*7, 050. 56*
Shipping Board	3, 336, 525. 28	4, 878, 506. 24	3, 404, 408. 85	7, 221, 061. 36	463, 251. 38	9, 573, 404. 43	*53, 970. 42*
Agricultural marketing fund (net)	28, 899, 684. 06	33, 626, 058. 94	13, 800, 353. 29	10, 057, 351. 41	6, 202, 955. 78	*3, 984, 419. 83*	1, 384, 418. 55
Alien property funds	*195, 681. 07*	*16, 035. 62*	447, 273. 61	91, 352. 15	49, 085. 24	*350, 070. 64*	159, 241. 38
Adjusted service certificate fund	963, 759. 48	73, 276. 79	*15, 622. 36*	*45, 981. 30*	47, 251. 75	193, 120, 537. 45	*4, 404, 819. 71*
Civil service retirement fund	20, 645, 928. 31	619, 544. 37	*476, 092. 81*	429, 085. 70	*297, 425. 93*	*98, 878. 91*	*32, 610. 40*
Foreign service retirement fund	211, 262. 52	*1, 002. 92*	*5, 998. 87*	2, 637. 53	*962. 39*	2, 371. 12	518. 00
Canal Zone retirement fund	*5, 727. 11*	*13, 700. 47*	*6, 767. 01*	*373. 85*	*1, 545. 60*	*3, 077. 58*	2, 823. 37
Investment of trust funds:							
Government life insurance	5, 653, 764. 41	5, 592, 994. 97	3, 823, 993. 98	3, 967, 836. 37	3, 375, 539. 07	3, 333, 327. 20	6, 157, 532. 96
District of Columbia teachers' retirement	61, 644. 50	188, 848. 12		45, 121. 20		81, 175. 70	60, 491. 06
General railroad contingent			*84, 654. 52*	158, 621. 96	2, 164. 28		69, 416. 49
Total ordinary expenditures	330, 661, 313. 39	323, 838, 459. 49	356, 629, 702. 32	416, 472, 399. 31	266, 933, 927. 31	532, 719, 035. 12	232, 919, 028. 07

TABLE 7.—*Expenditures, by months, classified according to organization units, for the fiscal year 1932*—Continued

Class of expenditure	1931 July	1931 August	1931 September	1931 October	1931 November	1931 December	1932 January
PUBLIC DEBT RETIREMENTS CHARGEABLE AGAINST ORDINARY RECEIPTS							
Sinking fund					$25,700,000.00	$329,599,200.00	
Retirements from special fund receipts					18,500.00		$7,500.00
Total public debt retirements chargeable against ordinary receipts					25,718,500.00	329,599,200.00	7,500.00
Total expenditures chargeable against ordinary receipts	$330,661,313.39	$323,838,459.49	$356,629,702.32	$116,472,399.31	292,652,427.31	862,348,235.12	232,926,528.07
PUBLIC DEBT							
Public debt retirements chargeable against ordinary receipts (see above)					25,718,500.00	329,599,200.00	7,500.00
Other public debt expenditures	232,172,881.25	263,301,226.18	973,626,253.75	135,888,619.00	341,874,561.28	2,075,544,421.75	332,649,088.25
Total public debt expenditures	232,172,884.25	263,301,226.18	973,626,253.75	135,888,619.00	367,593,061.28	2,405,143,621.75	332,656,588.25
Recapitulation, public debt:							
Treasury bills	201,325,000.00	239,960,000.00	99,753,000.00	101,631,000.00	321,042,000.00	100,717,000.00	103,178,000.00
Certificates of indebtedness	198,300.00	334,600.00	812,287,000.00	1,533,400.00	411,500.00	1,825,739,000.00	5,389,200.00
Certificates of indebtedness (adjusted service certificate fund series)	22,300,000.00	18,100,000.00	18,500,000.00	20,800,000.00	11,700,000.00	28,700,000.00	214,100,000.00
Treasury notes (Foreign Service retirement fund series)	8,000.00	9,000.00	17,000.00	14,000.00	13,000.00	9,000.00	10,000.00
Treasury notes (adjusted service certificate fund series)							
Treasury notes (civil-service retirement fund series)		1,300,000.00	600,000.00				
Treasury notes (Canal Zone retirement fund series)							
Treasury notes	2,021,600.00	1,186,100.00	10,060,650.00	8,718,400.00	2,879,050.00	434,497,700.00	5,471,500.00
Treasury bonds					25,702,500.00	11,300,000.00	2,000.00
War savings securities	4,996.25	3,013.75	2,151.75	2,665.00	2,397.00	2,815.75	3,277.25
Treasury savings securities	52,848.00	28,487.00	39,224.00	18,769.00	17,727.00	29,891.00	31,338.00
First Liberty bonds					4,000.00	299,200.00	3,000.00
Second Liberty bonds	105,100.00	67,850.00	72,000.00	95,750.00	97,000.00	129,350.00	56,600.00
Third Liberty bonds	173,000.00	125,600.00	133,350.00	131,900.00	121,600.00	121,250.00	111,450.00
Fourth Liberty bonds					10,000.00	95,000.00	2,500.00
Victory notes	28,600.00	14,050.00	8,550.00	10,800.00	8,350.00	13,200.00	9,500.00
Postal savings bonds	40,940.00	100.00	80.00			500.00	407,100.00
Other debt items	30.00	410.43	220.00	1,330.00	.28	270.00	1,013.00
National bank notes and Federal reserve bank notes	2,611,170.00	2,171,715.00	2,153,025.00	2,930,605.00	2,553,937.00	3,489,445.00	3,880,110.00
Total public debt expenditures	232,172,884.25	263,301,226.18	973,626,253.75	135,888,619.00	367,593,061.28	2,405,143,621.75	332,656,588.25
Reconstruction Finance Corporation [1]							

Class of expenditure	1932—Continued					Total	
	February	March	April	May	June	Fiscal year 1932	Fiscal year 1931
ORDINARY							
General expenditures:							
Legislative Establishment	$2, 143, 564. 44	$2, 669, 257. 12	$2, 723, 481. 55	$2, 396, 914. 74	$1, 896, 691. 60	$27, 318, 601. 16	$23, 978, 412. 68
Executive Office	34, 663. 67	31, 637. 18	34, 894. 85	32, 408. 49	34, 131. 49	424, 545. 62	506, 811. 30
State Department	1, 114, 720. 92	1, 758, 476. 32	1, 059, 513. 46	1, 198, 959. 13	1, 236, 492. 17	19, 292, 052. 66	15, 687, 716. 33
Treasury Department	19, 720, 545. 24	20, 855, 140. 46	19, 686, 034. 30	20, 381, 810. 67	20, 773, 979. 12	287, 743, 606. 43	204, 569, 134. 17
War Department	34, 707, 055. 63	34, 821, 055. 51	33, 009, 206. 89	32, 528, 826. 32	34, 476, 498. 48	468, 226, 844. 99	[2] 478, 418, 974. 37
Department of Justice	4, 542, 318. 68	4, 335, 643. 92	4, 403, 916. 33	4, 600, 451. 54	4, 319, 714. 45	52, 329, 697. 80	44, 333, 497. 73
Post Office Department	45, 600. 00	17, 169. 36	489. 48	6, 592. 81	3, 500. 00	125, 898. 90	82, 297. 59
Navy Department	27, 757, 118. 26	28, 103, 607. 40	28, 590, 880. 15	28, 971, 463. 05	28, 469, 427. 04	357, 820, 860. 41	354, 071, 004. 10
Interior Department	8, 494, 661. 57	8, 604, 097. 88	7, 727, 810. 29	6, 390, 234. 22	6, 370, 295. 86	91, 362, 659. 43	[2] 71, 500, 359. 20
Department of Agriculture	19, 398, 175. 55	13, 881, 667. 77	12, 435, 601. 65	11, 130, 439. 82	13, 458, 237. 40	318, 975, 817. 05	296, 865, 944. 69
Department of Commerce	4, 046, 123. 21	4, 365, 160. 22	4, 106, 566. 08	3, 945, 482. 41	4, 079, 352. 00	52, 700, 200. 47	61, 477, 117. 63
Department of Labor	1, 113, 655. 94	1, 844, 479. 29	1, 131, 992. 94	971, 127. 12	1, 627, 957. 80	14, 701, 866. 97	12, 181, 885. 62
Veterans' Administration	66, 336, 238. 23	70, 799, 992. 30	68, 635, 152. 66	68, 747, 098. 25	68, 944, 610. 49	807, 764, 768. 79	[2] 729, 199, 248. 12
Other independent offices and commissions	3, 782, 659. 38	3, 706, 068. 84	5, 586, 792. 64	6, 545, 708. 35	3, 819, 105. 40	53, 917, 186. 85	49, 969, 046. 06
District of Columbia	3, 637, 679. 19	4, 996, 604. 63	2, 839, 513. 08	3, 713, 730. 99	5, 232, 950. 71	48, 423, 251. 69	47, 798, 065. 62
Total	196, 874, 779. 91	200, 790, 058. 20	191, 485, 846. 35	191, 861, 247. 91	194, 743, 244. 01	2, 601, 127, 862. 22	2, 390, 639, 515. 21
Unclassified items	*27, 361. 09*	153, 427. 89	*89, 759. 37*	40, 233. 73	*29, 630. 97*	250, 903. 46	*162, 238. 35*
Total	196, 847, 418. 82	200, 943, 486. 09	191, 396, 086. 98	191, 901, 481. 64	194, 713, 613. 04	2, 601, 378, 765. 68	2, 390, 477, 276. 86
Interest on public debt	4, 397, 085. 74	42, 997, 439. 29	132, 741, 162. 46	14, 538, 267. 80	160, 788, 335. 00	599, 276, 630. 87	611, 559, 704. 35
Refunds of receipts:							
Customs	1, 501, 766. 74	1, 232, 793. 09	1, 466, 371. 19	1, 160, 256. 73	1, 179, 783. 29	17, 202, 968. 59	21, 369, 006. 78
Internal Revenue	7, 096, 872. 01	7, 538, 367. 52	5, 783, 557. 10	6, 774, 700. 42	9, 451, 638. 26	83, 921, 552. 08	69, 887, 928. 92
Postal deficiency	20, 000, 600. 00	20, 018, 810. 35	5, 000, 000. 00	20, 000, 000. 00	32, 857, 530. 28	202, 876, 340. 63	145, 643, 613. 12
Panama Canal	731, 729. 91	1, 308, 678. 68	606, 703. 50	821, 024. 94	834, 461. 74	10, 661, 804. 75	9, 299, 056. 81
Subscription to stock of Reconstruction Finance Corporation	67, 095, 653. 03	96, 457, 931. 76	177, 867, 339. 92	158, 579, 075. 29		500, 000, 000. 00	
Subscription to stock of Federal land banks	63, 243, 740. 00		11, 000, 000. 00		50, 756, 260. 00	125, 000, 000. 00	
Operations in special accounts:							
Railroads	*384, 750. 49*	*157, 565. 30*	2, 445. 28	*16, 079. 57*	*326, 832. 49*	*1, 644, 150. 79*	*245, 609. 87*
War Finance Corporation	*658. 90*	246. 72	*1. 80*	*2, 100. 03*	991. 53	*11, 887. 13*	172, 153. 82
Shipping Board	1, 650, 840. 33	2, 268, 652. 05	4, 611, 295. 60	8, 456, 152. 18	5, 730, 699. 39	51, 540, 826. 67	33, 961, 996. 34
Agricultural marketing fund (net)	2, 252, 771. 01	9, 695, 541. 52	8, 329, 300. 98	9, 500, 822. 58	16, 474, 017. 36	136, 238, 855. 68	190, 540, 854. 70
Alien property funds	*576, 677. 16*	686, 461. 77	*199, 675. 45*	263, 382. 50	*137, 449. 11*	221, 207. 60	1, 185, 835. 92
Adjusted service certificate fund	1, 593, 552. 88	*871, 679. 61*	2, 092, 922. 43	2, 140, 075. 30	*728, 805. 61*	193, 961, 467. 49	224, 216, 285. 58
Civil-service retirement fund	189, 560. 15	*100, 557. 96*	*11, 381. 74*	*154, 784. 16*	57, 516. 49	20, 859, 903. 11	20, 304, 247. 73
Foreign Service retirement fund	*319. 50*	*4, 186. 94*	*2, 200. 78*	2, 077. 21	*1, 705. 34*	205, 540. 24	336, 930. 15
Canal Zone retirement fund	*6, 258. 89*	*1, 428. 60*	7, 494. 90	7, 964. 48	*5, 549. 43*	*26, 120. 79*	
Investment of trust funds:							
Government life insurance	5, 349, 896. 81	3, 396, 203. 97	2, 871, 520. 13	3, 617, 266. 49	4, 244, 664. 58	51, 384, 540. 94	59, 626, 371. 43
District of Columbia teachers retirement		49, 800. 33	28, 101. 40	29, 753. 19	53, 580. 41	601, 518. 91	570, 581. 99
General railroad contingent		*1, 233. 28*	161, 830. 45		1, 642. 16	307, 790. 54	962, 104. 25
Total ordinary expenditures	370, 982, 267. 52	385, 157, 811. 45	513, 752, 882. 55	417, 619, 336. 99	415, 944, 391. 55	1, 593, 960, 555. 07	3, 779, 868, 338. 88

NOTE—Excess credits in italics to be deducted.]

[1] Represents net payments from credits established on account of the purchase by the Secretary of the Treasury of the obligations of the Reconstruction Finance Corporation under section 9 of the Reconstruction Finance Corporation act. (treated as public debt transactions in accordance with the act).

[2] The Veterans' Administration began to function on Aug. 1, 1930, in accordance with the Executive order of July 21, 1930. For comparative purposes, the expenditure figures for the month of July, 1930, included above under Veterans' Administration, have been revised so as to include $17,908,146.54 for account of pensions and $1,419,553.59 for account of National Homes for Disabled Volunteer Soldiers expended by the Interior Department and War Department, respectively, and the expenditure figures for the same month under these departments have been revised accordingly.

TABLE 7.—*Expenditures, by months, classified according to organization units, for the fiscal year 1932*—Continued

Class of expenditure	1932—Continued					Total	
	February	March	April	May	June	Fiscal year 1932	Fiscal year 1931
PUBLIC DEBT RETIREMENTS CHARGEABLE AGAINST ORDINARY RECEIPTS							
Sinking fund				$30, 000, 000. 00	$27, 255, 550. 00	$412, 554, 750. 00	$391, 660, 000. 00
Retirements from special fund receipts	$4, 000. 00	$28, 500. 00	$6, 000. 00		10, 500. 00	75, 000. 00	48, 422, 000. 00
Total public debt retirements chargeable against ordinary receipts	4, 000. 00	28, 500. 00	6, 000. 00	30, 000, 000. 00	27, 266, 050. 00	412, 629, 750. 00	440, 082, 000. 00
Total expenditures chargeable against ordinary receipts	370, 986, 267. 52	385, 486, 311. 45	543, 758, 882. 55	447, 619, 336. 99	443, 210, 441. 55	5, 006, 590, 305. 07	4, 219, 950, 338. 88
PUBLIC DEBT							
Public debt retirements chargeable against ordinary receipts (see above)	4, 000. 00	28, 500. 00	6, 000. 00	30, 000, 000. 00	27, 266, 050. 00	412, 629, 750. 00	440, 082, 000. 00
Other public debt expenditures	287, 254, 594. 61	983, 391, 212. 75	124, 174, 261. 47	227, 452, 748. 75	558, 745, 381. 65	6, 536, 075. 253. 69	5, 516, 863, 860. 91
Total public debt expenditures	287, 258, 594. 61	983, 419, 712. 75	124, 180, 261. 47	257, 452, 748. 75	586, 011, 431. 65	6, 948, 705, 003. 69	5, 956, 945, 860. 91
Recapitulation, public debt:							
Treasury bills	269, 720, 000. 00	200, 949, 000. 00	101, 559, 000. 00	212, 318, 000. 00	195, 572, 000. 00	2, 150, 721, 000. 00	771, 149, 000. 00
Certificates of indebtedness	1, 302, 600. 00	745, 407, 400. 00	5, 251, 200. 00	1, 880, 400. 00	332, 194, 950. 00	3, 762, 259, 550. 00	2, 873, 079, 200. 00
Certificates of indebtedness (adjusted service certificate fund series)	10, 700, 000. 00	30, 800, 000. 00	12, 300, 000. 00	9, 100, 000. 00	10, 000, 000. 00	410, 100, 000. 00	234, 200, 000. 00
Treasury notes (Foreign Service retirement fund series)	10, 000. 00	14, 000. 00	13, 000. 00	10, 000. 00	9, 000. 00	136, 000. 00	107, 000. 00
Treasury notes (adjusted service certificate fund series)							873, 200, 000. 00
Treasury notes (civil-service retirement fund series)					12, 500, 000. 00	14, 400, 000. 00	31, 200, 000. 00
Treasury notes (Canal Zone retirement fund series)					6, 000. 00	6, 000. 00	
Treasury notes	1, 872, 450. 00	2, 119, 850. 00	1, 071, 200. 00	650, 000. 00	4, 971, 850. 00	475, 523, 650. 00	1, 141, 495, 950. 00
Treasury bonds	2, 000. 00	1, 500. 00	3, 000. 00	30, 000, 000. 00	27, 258, 550. 00	94, 269, 550. 00	1, 000. 00
War saving securities	2, 851. 25	3, 267. 75	3, 009. 50	2, 782. 75	2, 763. 75	35, 994. 75	46, 150. 00
Treasury savings securities	25, 558. 00	33, 245. 00	37, 582. 00	24, 093. 00	17, 650. 00	356, 412. 00	541, 556. 00
First Liberty bonds	1, 500. 00	2, 500. 00	1, 500. 00		2, 500. 00	314, 200. 00	24, 050. 00
Second Liberty bonds	87, 200. 00	55, 100. 00	47, 950. 00	51, 000. 00	48, 250. 00	913, 450. 00	1, 517, 700. 00
Third Liberty bonds	83, 100. 00	119, 100. 00	112, 750. 00	116, 950. 00	97, 050. 00	1, 417, 100. 00	3, 151, 200. 00
Fourth Liberty bonds	500. 00	3, 500. 00	1, 500. 00		5, 000. 00	118, 000. 00	33, 100. 00
Victory notes	9, 500. 00	7, 350. 00	9, 600. 00	9, 800. 00	8, 600. 00	137, 900. 00	180, 250. 00
Postal savings bonds	1, 840. 00	1, 900. 00	2, 020. 00	480. 00	160. 00	455, 120. 00	
Other debt items	. 36	140. 00	389. 97	160. 00	50, 060. 40	54, 024. 44	73, 580. 41
National bank notes and Federal reserve bank notes	3, 439, 495. 00	3, 901, 860. 00	3, 766, 560. 00	3, 289, 083. 00	3, 267, 047. 50	37, 454, 052. 50	26, 946, 124. 50
Total public debt expenditures	287, 258, 594. 61	983, 419, 712. 75	124, 180, 261. 47	257, 452, 748. 75	586, 011, 431. 65	6, 948, 705, 003. 69	5, 956, 945, 860. 91
Reconstruction Finance Corporation [1]				22, 824, 945. 94	244, 910, 262. 61	267, 735, 208. 55	

NOTE.—Excess credits in italics to be deducted.

[1] Represents net payments from credits established on account of the purchase by the Secretary of the Treasury of the obligations of the Reconstruction Finance Corporation under section 9 of the Reconstruction Finance Corporation act (treated as public debt transactions in accordance with the act).

Specific receipts and expenditures

TABLE 8.—*Comparison of detailed internal revenue receipts for the fiscal years 1931 and 1932*

[On basis of reports of collections, see p. 338]

Source of revenue	1931	1932	Increase (+) or decrease (−)
Income tax:			
Corporation [1]	$1,026,392,699.02	$629,566,115.55	−$396,826,583.47
Individual	833,647,798.37	427,190,581.99	−406,457,216.38
Total	1,860,040,497.39	1,056,756,697.54	−803,283,799.85
Estates: Transfer of estates of decedents	48,078,326.89	47,422,313.00	−656,013.89
Distilled spirits:			
Distilled spirits (nonbeverage)	9,578,502.97	7,906,945.22	−1,671,557.75
Distilled spirits (beverage)	236.27		−236.27
Rectified spirits or wines	6,731.34	4,545.15	−2,186.19
Still or sparkling wines, cordials, etc	228,495.06	186,563.29	−41,931.77
Grape brandy used for fortifying sweet wines	63,321.95	73,650.65	+10,328.70
Rectifiers, retail and wholesale liquor dealers; manufacturers of stills, etc.[2]	519,414.47	505,704.13	−13,710.34
Stamps for distilled spirits intended for export	160.20	24.70	−135.50
Case stamps for distilled spirits bottled in bond	35,202.23	26,530.13	−8,672.10
Total	10,432,064.49	8,703,963.27	−1,728,101.22
Tobacco:			
Cigars (large)	18,025,467.34	14,207,679.50	−3,817,787.84
Cigars (small)	270,644.10	226,508.98	−44,135.12
Cigarettes (large)	45,815.64	31,659.71	−14,155.93
Cigarettes (small)	358,915,187.84	317,533,080.02	−41,382,107.82
Snuff of all descriptions	7,190,466.16	6,846,301.69	−344,164.47
Tobacco, chewing and smoking	58,376,912.03	58,030,155.75	−346,756.28
Cigarette papers and tubes	1,441,826.41	1,700,502.85	+258,676.44
Miscellaneous collections relating to tobacco	10,153.10	2,730.06	−7,423.04
Total	444,276,502.62	398,578,618.56	−45,697,884.06
Revenue acts of 1926 and 1928:			
Documentary stamps, etc.—			
Bonds of indebtedness, capital stock issues, etc	14,757,383.38	9,198,539.57	−5,558,843.81
Capital stock sales or transfers	25,519,972.75	17,696,129.86	−7,823,842.89
Sales of produce (future delivery)	1,682,680.56	959,319.64	−723,360.92
Playing cards	4,993,559.50	4,386,830.50	−606,729.00
Manufacturers' excise tax—			
Pistols and revolvers	137,921.37	87,358.40	−50,562.97
Opium, coca leaves, including special taxes, etc	607,339.54	521,162.86	−86,176.68
Admissions to theaters, concerts, cabarets, etc	2,778,864.09	1,858,605.97	−920,258.12
Dues of clubs (athletic, social, and sporting)	11,477,723.20	9,204,587.04	−2,273,136.16
Total	61,955,444.39	43,912,533.84	−18,042,910.55
Miscellaneous:			
Adulterated and process or renovated butter, filled cheese, and mixed flour	11,822.36	8,837.00	−2,985.36
Oleomargarine, colored	567,959.13	204,080.11	−363,879.02
Oleomargarine, uncolored	671,828.03	525,656.72	−146,171.31
Oleomargarine manufacturers and dealers (special taxes)	1,441,641.13	1,014,999.95	−426,641.18
Collections under prohibition laws	586,149.68	490,773.26	−95,376.42
Internal revenue collected through customs offices	6,317.21	17,066.70	+10,749.49
Other miscellaneous receipts, including delinquent taxes collected under repealed laws [3]	160,200.90	93,502.69	−66,698.21
Total	3,445,918.44	2,354,916.43	−1,091,002.01
Grand total	2,428,228,754.22	1,557,729,042.64	−870,499,711.58

[1] Includes $11,311.92 for 1931 and $7,614.31 for 1932, income tax on Alaska railroads (act of July 18, 1914).
[2] Includes $280 for 1931 and $230.40 for 1932 on account of stills or worms manufactured.
[3] Includes $147,052.47 for 1931 and $79,025.51 for 1932, delinquent taxes collected under repealed laws.

TABLE 9.—*Internal revenue receipts, by sources, for the fiscal years 1916 to 1932* [1]

[On basis of reports of collections, see p. 338]

Year	Income and profits [2]			Estates	Distilled spirits and fermented liquors [3]
	Individual	Corporation	Total		
1916			$124,937,253		$247,453,544
1917			387,382,344	$6,076,575	284,008,513
1918			2,852,324,866	47,452,880	443,839,545
1919			2,600,783,903	82,029,983	483,050,854
1920			3,956,936,004	103,635,563	139,871,150
1921			3,228,137,674	154,043,260	82,623,429
1922			2,086,918,465	139,418,846	45,609,436
1923			1,691,089,535	126,705,207	30,358,086
1924			1,841,759,317	102,966,762	27,585,708
1925	$845,426,352	$916,232,697	1,761,659,049	[4] 108,939,896	25,904,775
1926	879,124,407	1,094,979,734	1,974,104,141	[4] 119,216,375	26,452,029
1927	911,939,911	1,308,012,533	2,219,952,444	100,339,852	21,195,552
1928	882,727,114	1,291,845,989	2,174,573,103	60,087,234	15,307,796
1929	1,095,541,172	1,235,733,256	2,331,274,428	61,897,141	12,776,728
1930	1,146,844,764	1,263,414,466	2,410,259,230	64,769,625	11,695,268
1931	833,647,798	1,026,392,699	1,860,040,497	48,078,327	10,432,064
1932	427,190,582	629,566,115	1,056,756,697	47,422,313	8,703,963

Year	Tobacco [3]	Documentary stamps	Playing cards	Admissions	Dues
1916	$88,063,948	$38,110,282	$819,654		
1917	103,201,592	8,254,342	820,897		
1918	156,188,660	21,874,734	1,276,505	$26,357,339	$2,259,057
1919	206,003,092	43,751,340	2,091,791	50,919,608	4,072,549
1920	295,809,355	81,259,366	3,088,462	76,720,555	5,198,001
1921	255,219,385	69,861,073	2,603,941	89,730,833	6,159,818
1922	270,759,384	55,919,044	2,787,921	73,384,956	6,615,634
1923	309,015,493	61,490,152	3,385,227	70,175,147	7,170,731
1924	325,638,931	58,526,017	3,731,537	77,712,524	8,009,861
1925	345,247,211	46,068,399	3,183,385	30,907,809	8,690,588
1926	370,666,439	49,800,825	4,213,414	23,980,677	10,073,838
1927	376,170,205	32,603,083	4,712,469	17,940,637	10,436,021
1928	396,450,041	43,818,196	5,010,712	17,724,952	10,352,990
1929	434,444,543	58,797,727	5,375,804	6,083,056	11,245,255
1930	450,339,061	72,909,377	4,819,293	4,230,667	12,521,092
1931	444,276,503	41,960,037	4,993,559	2,778,864	11,477,723
1932	398,578,619	27,853,989	4,386,831	1,858,606	9,204 587

Year	Sales of manufacturers and dealers [5]	Nonalcoholic beverages, soft drinks, etc.	Special taxes [6]		Transportation, telephone, and telegraph
			Corporation capital stock	All others	
1916	$4,218,979			$6,908,108	
1917	775,078		$10,171,689	5,237,014	
1918	36,636,607	$2,215,181	24,996,205	2,691,587	$70,736,550
1919	79,400,266	7,182,219	28,775,750	4,721,298	237,839,572
1920	267,968,579	57,460,956	93,020,421	9,913,281	289,348,087
1921	229,397,837	58,675,973	81,525,653	8,585,540	301,512,414
1922	171,361,288	33,501,284	80,612,210	8,662,760	198,790,249
1923	185,117,058	10,131,897	81,567,739	8,035,583	30,380,784
1924	200,921,721	10,418,866	87,171,692	7,814,414	34,662,429
1925	140,877,326		90,002,595	5,811,558	
1926	150,220,488		97,385,756	4,546,978	
1927	66,850,109		8,970,231	7,967	
1928	51,951,694		8,688,502	9,763,	
1929	5,723,791		5,956,296		
1930	2,676,261		46,967		
1931	149,744				
1932	96,195				

For footnotes, see p. 377.

TABLE 9.—*Internal revenue receipts, by sources, for the fiscal years 1916 to 1932*—Continued

[On basis of reports of collections, see p. 338]

Year	Insurance	Oleomargarine [3]	Opium and narcotics [3]	Receipts under the national prohibition act	Miscellaneous [7]	Total
1916		$1,485,971	$245,072		$480,477	$512,723,288
1917		1,995,720	277,165		892,681	809,393,640
1918	$6,492,025	2,336,907	185,359		1,091,814	3,698,955,821
1919	14,508,881	2,791,831	726,137		1,501,004	3,850,150,079
1920	18,421,754	3,728,276	1,511,230	$641,029	3,045,183	5,407,580,252
1921	18,992,091	2,986,465	1,170,316	2,152,387	1,975,968	4,595,357,062
1922	10,855,404	2,121,080	1,269,090	1,979,587	3,881,416	3,197,451,083
1923		2,251,531	1,013,736	729,241	3,125,078	2,621,715,228
1924		2,814,104	1,057,341	855,395	4,232,637	2,796,179,257
1925		3,038,928	1,090,933	560,888	12,156,929	2,584,140,268
1926		3,070,218	981,739	416,198	870,777	2,835,999,892
1927		3,164,219	797,825	502,877	2,009,640	2,865,683,130
1928		3,407,600	690,432	925,252	1,536,969	2,790,535,538
1929		3,611,153	605,336	727,006	536,111	2,939,054,375
1930		3,919,388	588,682	1,105,172	265,651	3,040,145,733
1931		2,681,428	607,340	586,150	166,518	2,428,228,754
1932		1,744,737	521,163	490,773	110,569	1,557,729,012

[1] For figures for 1863 to 1915, see annual report for 1929, p. 419.

[2] Includes receipts from munitions manufacturers' tax, 1917, $27,663,940, and 1918, $13,296,927. Separate figures for corporation and individual income taxes not available prior to 1925.

[3] Includes special taxes on manufacturers and dealers, except for tobacco taxes for 1927 and following years.

[4] Includes gift tax as follows: 1925, $7,518,129, and 1926, $3,175,339.

[5] Includes collections from taxes on sales under act of Oct. 22, 1914, "Excise taxes" under the war revenue and subsequent acts, and also special taxes on the sale of and the manufacturers of and dealers in adulterated and process or renovated butter, filled cheese, and mixed flour.

[6] Excludes collections on special taxes referred to in notes 3 and 5.

[7] Includes receipts as follows: (a) For 1919, 1920, and 1921 receipts which remained unclassified at the time the statistical tables were compiled; (b) internal revenue collected through customs offices for 1921 and following years; (c) delinquent taxes collected under repealed laws, except delinquent collections on automobiles for 1929 and 1930, included under "Sales of manufacturers and dealers," and on corporation capital stock for 1927 to 1930, inclusive, included under "special taxes"; (d) penalties for 1916, $458,773; 1917, $871,606; and 1918, $985,220; after 1918, all penalties are included with other receipts from the respective taxes to which they relate.

TABLE 10.—*Internal revenue receipts, by months, total, and by present major sources, July, 1930, to September, 1932* [1]

[On basis of reports of collections, see p. 338]

[In thousands]

Month	Income taxes			Distilled spirits [2]	Tobacco	Estates	Documentary stamps, including playing cards	Admissions	Dues	Total internal revenue [3]
	Corporation	Individual	Total							
Fiscal year 1931										
July	$20,291	$9,405	$29,699	$978	$42,982	$4,557	$5,312	$296	$960	$86,054
August	19,953	6,785	26,738	854	39,178	4,815	3,875	203	1,168	77,171
September	262,129	234,860	497,289	806	38,226	3,947	3,676	129	814	545,136
October	21,398	8,190	29,588	869	41,021	3,175	4,022	201	847	80,041
November	19,616	9,407	29,023	718	30,467	2,699	4,308	280	926	68,667
December	260,555	234,420	494,975	780	31,931	5,759	4,316	299	861	539,200
January	18,595	13,137	31,732	1,132	35,033	4,679	3,960	281	632	77,651
February	19,466	17,785	37,251	860	33,111	3,241	3,407	229	1,192	79,453
March	175,996	153,562	329,558	870	36,455	4,556	3,861	237	888	376,656
April	17,703	13,517	31,220	815	35,564	2,866	3,786	215	848	75,468
May	16,479	12,287	28,766	804	38,499	3,852	3,395	171	1,252	76,865
June	173,908	120,293	294,201	946	41,809	3,932	3,033	238	1,090	345,863
Total	1,026,392	833,648	1,860,040	10,432	444,276	48,078	46,954	2,779	11,478	2,428,228
Fiscal year 1932										
July	15,138	9,238	24,376	1,002	39,219	4,131	3,590	197	887	74,169
August	17,648	7,563	25,211	717	35,784	2,614	2,562	205	1,085	68,394
September	159,073	104,805	263,878	719	36,589	7,763	2,646	135	677	312,581
October	18,236	7,538	25,774	765	34,802	6,865	3,130	156	635	72,356
November	12,909	6,637	19,546	639	30,208	4,367	3,117	241	807	59,098
December	155,657	100,865	256,522	947	27,459	6,710	2,842	170	680	295,499
January	13,030	9,104	22,134	752	33,321	2,297	3,253	137	515	62,539
February	12,125	11,192	23,317	608	29,500	1,878	2,486	125	988	59,054
March	103,419	89,284	192,703	594	32,205	2,995	2,380	154	666	231,830
April	10,578	9,891	20,469	651	28,857	2,257	2,116	128	605	55,201
May	15,531	6,793	22,324	570	32,176	1,763	1,980	131	879	60,013
June	96,222	64,280	160,502	740	38,459	3,782	2,145	80	780	206,995
Total	629,566	427,190	1,056,756	8,704	398,579	47,422	32,241	1,859	9,204	1,557,729
Fiscal year 1933										
July	9,416	8,041	17,457	720	34,499	1,619	3,204	344	572	61,687
August	9,261	5,822	15,083	621	35,501	2,779	4,011	1,322	801	79,940
September	89,055	53,148	142,203	521	31,869	1,085	7,974	1,641	533	216,481

[1] For receipts from July, 1917, to September, 1927, see annual report for 1927, page 476, and similar tables in subsequent reports for later figures.

[2] Includes special taxes relating to manufacture and sale.

[3] Includes collections on taxes shown separately in this table and also on all other taxes not classified therein. Under the revenue acts of 1926 and 1928 all other taxes include pistols and revolvers, opium and narcotics, oleomargarine and process butter, etc., collections under prohibition laws, internal revenue collected through customs offices, delinquent taxes collected under repealed laws, and various other miscellaneous receipts. These collections amounted to $4,191,179 for 1931 and $2,963,438 for 1932. During July, August, and September, 1932, all other taxes also include new taxes under the revenue act of 1932 amounting to $49,801,179 for the quarter.

TABLE 11.—*Internal revenue receipts, by States and Territories, for the fiscal year 1932* [1]

[On basis of reports of collections, see p. 338]

States, etc.	Income taxes [2]	Miscellaneous internal revenue [3]	Total
Alabama	$2,263,032.46	$351,887.34	$2,614,919.80
Alaska	122,856.31	509.86	123,366.17
Arizona	858,152.43	58,478.88	916,631.31
Arkansas	978,787.85	53,106.05	1,031,893.90
California	61,569,288.21	14,761,002.52	76,330,290.73
Colorado	5,147,909.08	246,362.11	5,394,271.19
Connecticut	19,055,628.40	1,350,716.63	20,406,345.03
Delaware	15,232,162.06	1,216,290.37	16,448,452.43
District of Columbia	7,449,921.97	999,715.42	8,449,637.39
Florida	5,138,081.61	3,322,226.73	8,460,308.34
Georgia	4,185,589.14	227,541.02	4,413,130.16
Hawaii	3,348,999.08	436,880.00	3,785,879.08
Idaho	465,396.34	20,169.72	485,566.06
Illinois	91,461,011.69	15,215,215.98	106,676,227.67
Indiana	10,891,705.72	1,475,345.73	12,367,051.45
Iowa	6,166,137.45	291,664.04	6,457,801.49
Kansas	6,864,416.78	276,653.23	7,141,070.01
Kentucky	5,618,695.60	20,655,116.94	26,273,812.54
Louisiana	5,219,132.10	1,039,566.31	6,258,698.41
Maine	3,938,861.50	415,356.97	4,354,218.47
Maryland	21,822,803.17	1,668,228.69	23,491,031.86
Massachusetts	45,075,317.11	4,071,650.42	49,146,967.53
Michigan	55,141,031.33	4,835,828.23	59,976,859.56
Minnesota	12,987,338.35	1,316,229.07	14,303,567.42
Mississippi	776,146.13	58,018.79	834,164.92
Missouri	25,471,348.91	9,190,814.17	34,662,163.08
Montana	750,726.29	119,875.26	870,601.55
Nebraska	3,030,186.45	128,693.03	3,158,879.48
Nevada	1,299,099.85	47,232.43	1,346,332.28
New Hampshire	1,467,083.04	219,185.38	1,686,268.42
New Jersey	42,808,281.93	27,536,657.13	70,344,939.06
New Mexico	355,711.18	21,127.50	376,838.68
New York	348,550,738.13	46,438,465.78	394,989,203.91
North Carolina	11,464,232.47	219,674,749.20	231,138,981.67
North Dakota	234,543.80	12,350.15	246,893.95
Ohio	47,531,971.58	14,282,428.69	61,814,400.27
Oklahoma	10,005,745.66	159,602.38	10,165,348.04
Oregon	2,382,821.54	177,612.14	2,560,433.68
Pennsylvania	97,177,311.40	12,215,907.23	109,393,218.63
Rhode Island	6,189,077.06	526,913.31	6,715,990.37
South Carolina	1,504,070.32	273,666.67	1,777,736.99
South Dakota	414,637.23	32,536.40	447,173.63
Tennessee	5,456,702.93	3,642,419.68	9,099,122.61
Texas	17,449,444.86	852,843.49	18,302,288.35
Utah	1,395,890.45	51,202.71	1,447,093.16
Vermont	857,835.45	106,877.80	964,713.25
Virginia	13,324,786.33	86,646,719.48	99,971,505.81
Washington	5,371,290.87	369,685.47	5,740,976.34
West Virginia	4,982,273.39	2,694,997.51	7,677,270.90
Wisconsin	15,156,868.27	1,369,044.38	16,525,912.65
Wyoming	345,616.28	60,207.10	405,823.38
Philippine Islands		356,769.58	356,769.58
Total	1,056,756,697.54	500,972,345.10	1,557,729,042.64

NOTE.—For additional information, see published report of the Commissioner of Internal Revenue for the year ended June 30, 1932.

[1] Internal revenue receipts are credited to the districts in which the collections are made. Receipts in the various States do not indicate the tax burden of the respective States, since the taxes may be eventually borne by persons in other States.

[2] Includes income tax on Alaska railroads (act of July 18, 1914) amounting to $7,614.31.

[3] Includes collections through customs offices amounting to $17,066.70.

TABLE 12.—*Expenses of the Internal Revenue Service for the fiscal year 1932*

[On basis of checks issued, see p. 338]

A. DISBURSEMENTS BY COLLECTORS OF INTERNAL REVENUE [1]

District	Salaries of collectors, deputies, clerks, etc.[2]	Travel expenses	Rent	Miscellaneous	Total
Alabama	$93,941.54	$4,901.24		$1,206.68	$100,049.46
Arizona	50,399.20	2,169.95	$4,200.00	1,049.17	57,818.32
Arkansas	88,798.88	12,637.50	5,000.00	896.79	107,333.17
California:					
First district	302,480.64	11,413.67		4,593.37	318,487.68
Sixth district	304,142.05	14,153.12	24,361.20	4,752.42	347,408.79
Colorado	111,300.98	5,884.56		3,037.75	120,223.29
Connecticut	165,568.81	2,501.04	13,250.00	1,239.50	182,559.35
Delaware	42,039.24	518.18		858.52	43,415.94
Florida	159,162.92	9,705.74	13,000.00	3,150.63	185,019.29
Georgia	99,814.69	7,274.65	550.00	1,121.52	108,760.86
Hawaii	46,340.80	1,961.93		617.66	48,920.39
Idaho	48,104.49	3,282.64		1,148.28	52,535.41
Illinois:					
First district	597,712.42	5,742.61	726.00	5,976.66	610,157.69
Eighth district	130,244.45	10,729.05		2,068.49	143,041.99
Indiana	161,933.94	4,772.82	150.00	3,722.33	170,579.09
Iowa	170,671.98	9,953.40		1,225.06	181,850.44
Kansas	101,302.42	13,343.02	5,500.04	1,570.63	124,716.11
Kentucky	157,931.06	10,685.22		2,062.52	170,678.80
Louisiana	107,146.68	5,154.58		903.97	113,205.23
Maine	77,838.80	3,915.67		585.33	82,339.80
Maryland	276,007.18	5,258.78		5,722.90	286,988.86
Massachusetts	496,651.27	6,644.72	32,000.00	3,471.13	538,767.12
Michigan	319,645.19	12,160.69	39,209.76	5,822.03	376,837.67
Minnesota	201,531.13	8,528.23		2,423.41	212,482.77
Mississippi	66,419.64	5,789.91	6,240.00	454.66	78,904.21
Missouri:					
First district	156,856.73	4,248.80		2,271.38	163,376.91
Sixth district	102,193.52	3,571.53		733.65	106,498.70
Montana	69,743.99	6,184.89	4,800.00	1,635.31	82,364.19
Nebraska	111,587.73	5,638.37		787.18	118,013.28
Nevada	32,959.56	3,556.21	3,000.00	470.93	39,986.70
New Hampshire	70,425.97	3,418.41		965.81	74,810.19
New Jersey:					
First district	75,859.22	1,679.37		1,349.99	78,888.58
Fifth district	262,309.39	3,999.21	20,000.00	5,022.74	291,331.34
New Mexico	46,679.44	4,332.95	3,300.00	1,016.52	55,328.91
New York:					
First district	341,490.57	6,156.61	28,666.60	3,293.55	379,607.33
Second district	477,439.51	1,329.46		6,030.37	484,799.34
Third district	363,963.57	2,146.93	40,000.00	5,590.14	411,700.64
Fourteenth district	200,988.53	8,792.65	2,220.00	2,048.90	214,050.08
Twenty-first district	145,066.23	6,300.52		2,178.10	153,544.85
Twenty-eighth district	207,283.61	4,108.89		3,415.79	214,808.29
North Carolina	126,929.75	8,223.95		3,153.27	138,306.97
North Dakota	48,067.29	5,385.09		571.75	54,024.13
Ohio:					
First district	135,145.30	2,811.00		1,353.57	139,309.87
Tenth district	106,518.24	5,825.18		1,983.72	114,327.14
Eleventh district	84,142.09	2,789.47		1,427.12	88,358.68
Eighteenth district	296,937.39	8,850.74		6,041.56	311,829.69
Oklahoma	121,172.41	9,657.19		1,820.01	132,649.61
Oregon	111,544.63	3,787.60	120.00	573.69	116,025.92
Pennsylvania:					
First district	364,083.27	5,895.89	1,331.00	4,852.36	376,162.52
Twelfth district	112,423.20	3,382.41		3,448.69	119 254.30
Twenty-third district	306,065.20	6,778.87		1,429.55	314,273.62
Rhode Island	85,438.96	110.11		1,154.32	86,703.39
South Carolina	67,960.44	5,104.24		645.89	73,710.57
South Dakota	56,273.38	4,626.58		439.01	61,338.97
Tennessee	108,555.45	5,032.92		1,730.97	115,319.34
Texas:					
First district	160,945.58	14,114.47	935.00	3,182.66	179,177.71
Second district	149,488.96	14,340.88		1,688.13	165,517.97
Utah	61,839.12	3,414.59		633.01	65,886.72
Vermont	54,037.59	3,219.19		736.49	57,993.27
Virginia	139,870.83	7,770.05	13,660.00	3,714.54	165,015.42
Washington	173,315.70	6,919.11	4,503.58	3,087.85	187,826.24
West Virginia	104,349.96	6,258.38		1,818.42	112,426.76
Wisconsin	240,155.78	13,090.65		3,254.81	256,501.24
Wyoming	49,228.20	4,603.83	3,960.00	849.96	58,641.99
Total	10,309,466.69	396,540.11	270,683.18	146,083.12	11,122,773.10

See footnotes on page 381.

TABLE 12.—*Expenses of the Internal Revenue Service for the fiscal year 1932*—Con.

B. DISBURSEMENTS BY INTERNAL REVENUE AGENTS [1]

Division	Salaries of agents, clerks, etc.[3]	Travel expenses	Rent	Miscellaneous	Total
Atlanta	$110,610.21	$7,127.84		$1,041.05	$118,779.10
Baltimore	333,246.92	9,757.48		1,073.47	344,077.87
Boston	691,376.78	32,137.24	$18,966.38	3,778.83	746,259.23
Brooklyn	442,185.97	5,063.94	16,499.97	2,820.75	466,570.63
Buffalo	259,101.01	18,298.09	9,690.00	2,409.37	289,498.47
Chicago	609,981.59	9,667.05	12,478.32	7,739.61	639,866.57
Cincinnati	182,682.95	8,729.52		1,263.89	192,676.36
Cleveland	290,413.87	16,389.60	11,590.20	3,151.55	321,545.22
Columbia	55,042.82	4,386.51		485.29	59,914.62
Dallas	396,957.47	31,213.72	4,890.66	3,047.44	436,109.29
Denver	118,222.91	15,068.14		1,106.94	134,397.99
Detroit	342,081.19	21,297.53	14,293.50	2,813.58	380,485.80
Greensboro	113,716.33	9,823.60		700.23	124,240.16
Honolulu	43,372.14	3,589.08		638.08	47,599.30
Huntington	96,288.87	8,702.18		957.58	105,948.63
Indianapolis	171,801.77	8,354.91		852.35	181,009.03
Jacksonville	164,246.36	19,394.26	5,580.00	1,336.52	190,557.14
Los Angeles	658,123.69	20,437.39	19,405.20	4,499.49	702,465.77
Louisville	110,786.72	4,005.21		689.16	115,481.09
Milwaukee	174,157.47	8,796.41		1,705.11	184,659.02
Nashville	186,550.50	12,305.83	275.00	1,695.37	200,826.70
Newark	360,629.51	8,947.30	11,641.50	3,775.10	384,993.41
New Haven	262,093.56	9,658.69	1,912.56	2,212.22	275,877.03
New Orleans	136,818.09	10,734.10		680.35	148,232.54
New York:					
Second division	968,525.22	2,609.18	52,777.56	7,611.29	1,031,523.25
Upper division	910,841.01	11,965.89	38,799.96	7,836.98	969,443.84
Oklahoma City	183,557.68	19,631.91	7,650.00	1,919.99	212,759.58
Omaha	228,275.64	15,005.34		935.00	244,215.98
Philadelphia	647,037.28	17,292.23	12,457.67	3,608.43	680,395.61
Pittsburgh	353,527.94	10,567.49	8,766.68	2,390.60	375,252.71
Richmond	146,506.52	10,510.76	6,003.00	1,537.13	164,587.41
Salt Lake City	114,573.35	8,770.01	2,340.00	803.38	126,486.74
San Francisco	332,232.76	10,157.68	13,278.00	2,842.65	358,511.09
Seattle	275,785.73	11,550.81	8,220.00	2,123.75	297,680.29
Springfield	101,942.02	13,295.05		800.46	116,037.53
St. Louis	297,922.38	9,916.51	3,060.00	1,100.36	311,999.25
St. Paul	195,759.37	12,986.62		1,350.28	210,096.27
Wichita	94,669.50	7,200.61	2,499.96	452.17	104,822.24
Total	11,161,645.10	465,375.71	283,076.12	85,785.83	11,995,882.76

C. DISBURSEMENTS BY THE DISBURSING CLERK OF THE TREASURY DEPARTMENT AND DIRECT SETTLEMENTS THROUGH THE OFFICE OF THE COMPTROLLER GENERAL, CLAIMS DIVISION [1]

	Salaries [4]	Travel expenses	Rent	Miscellaneous	Total
Total	$9,668,097.98	$404,034.50	$10,271.48	$243,402.33	$10,325,806.29

D. RECAPITULATION [1]

Disbursements by—	Salaries	Travel expenses	Rent	Miscellaneous	Total
Collectors	[2] $10,309,466.69	$396,540.11	$270,683.18	$146,083.12	$11,122,773.10
Agents	[3] 11,161,645.10	465,375.71	283,076.12	85,785.83	11,995,882.76
Disbursing clerk, Treasury Department and General Accounting Office	[4] 9,668,097.98	404,034.50	10,271.48	243,402.33	10,325,806.29
Total	31,139,209.77	1,265,950.32	564,030.78	475,271.28	33,444,462.15

CLAIMS APPROVED FOR PAYMENT FROM THE REFUNDING APPROPRIATIONS

	Appropriation			
	1930 and prior years	1931 and prior years	1932 and prior years	Total
Amount approved	$1,396.97	$79,187,092.80	$1,395,014.34	$80,583,504.11

NOTE.—For additional information, see published report of the Commissioner of Internal Revenue for the year ended June 30, 1932.

[1] From the appropriation, "Collecting the internal revenue, 1932."
[2] $81,947.08 retirement deductions included.
[3] $388,060.58 retirement deductions included.
[4] $319,786.25 retirement deductions included.

TABLE 13.—*Customs duties (estimated), value of imports entered for consumption, and ratio of duties to value of dutiable imports and to value of all imports, for the years 1900 to 1931* [1]

[On basis of reports of the Bureau of Foreign and Domestic Commerce; dollars in thousands]

Year ended—	Estimated duties	Value of imports entered for consumption			Ratio of duties to value of—	
		Total	Dutiable	Ratio of dutiable to total	Dutiable imports	Total imports
June 30:				*Per cent*	*Per cent*	*Per cent*
1900	$229,361	$830,519	$463,759	55.84	49.24	27.62
1901	233,556	807,763	468,670	58.02	49.64	28.91
1902	251,453	899,794	503,252	55.93	49.79	27.95
1903	280,752	1,007,960	570,669	56.62	49.03	27.85
1904	258,222	981,835	527,682	53.74	48.78	26.30
1905	258,426	1,087,118	570,045	52.44	45.24	23.77
1906	293,910	1,213,418	664,722	54.78	44.16	24.22
1907	329,480	1,415,402	773,449	54.65	42.55	23.28
1908	282,583	1,183,121	657,416	55.57	42.94	23.88
1909	294,667	1,281,642	682,266	53.23	43.15	22.99
1910	326,562	1,547,109	785,756	50.79	41.52	21.11
1911	309,936	1,527,946	750,982	49.15	41.22	20.29
1912	304,899	1,640,723	759,210	46.27	40.12	18.58
1913	312,510	1,766,689	779,717	44.13	40.05	17.69
1914	283,719	1,906,400	754,008	39.55	37.60	14.88
1915	205,947	1,648,386	615,523	37.34	33.43	12.49
1916	209,726	2,179,034	683,153	31.35	30.67	9.62
1917	221,659	2,667,220	814,689	30.54	27.18	8.31
1918	180,590	2,864,894	747,339	26.09	24.11	6.30
Dec. 31:						
1918 (6 months)	73,928	1,452,961	303,079	20.86	24.39	5.09
1919	237,457	3,827,683	1,116,221	29.16	21.27	6.20
1920	325,646	5,101,823	1,985,865	38.92	16.40	6.38
1921	292,397	2,556,870	992,591	38.82	29.55	11.44
1922	451,356	3,073,773	1,185,533	38.57	38.07	14.68
1923	566,664	3,731,770	1,566,622	41.98	36.17	15.18
1924	532,286	3,575,111	1,456,943	40.75	36.53	14.89
1925	551,853	4,176,218	1,467,390	35.14	37.61	13.21
1926	590,045	4,408,076	1,499,969	34.03	39.34	13.39
1927	574,810	4,163,090	1,483,031	35.62	38.76	13.81
1928	542,270	4,077,937	1,399,304	34.31	38.76	13.30
1929	584,771	4,338,572	1,458,444	33.62	40.11	13.55
1930 (revised)	461,885	3,114,077	1,032,954	33.17	44.71	14.83
1931	370,771	2,088,455	696,762	33.36	53.21	17.75

[1] For figures for 1867 to 1899, see annual report for 1930, p. 523.

TABLE 14.—*Customs duties (estimated), value of dutiable imports, and ratio of duties to value of dutiable imports, by tariff schedules, for the years 1900 to 1931* [1]

[On basis of reports of the Bureau of Foreign and Domestic Commerce; dollars in thousands]

Year ended—	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	SCHEDULE 1.—Chemicals, oils, and paints			SCHEDULE 2.—Earths, earthenware, and glassware		
			Per cent			*Per cent*
June 30, 1900	$8,184	$26,956	30.36	$10,107	$20,090	50.31
1901	7,415	26,414	28.07	10,301	20,166	51.08
1902	8,500	29,992	28.34	11,365	21,424	53.05
1903	8,981	31,250	28.74	13,320	25,735	51.76
1904	8,814	30,809	28.61	13,163	24,704	53.28
1905	8,845	31,011	28.52	12,194	23,126	52.73
1906	9,665	33,482	28.87	13,749	26,590	51.71
1907	11,124	40,246	27.64	15,350	31,306	49.03
1908	10,530	39,127	26.91	13,251	26,224	50.53
1909	11,218	42,937	26.13	10,642	21,148	50.32
1910	11,072	42,022	26.41	12,468	24,774	50.33
1911	12,564	48,869	25.71	12,669	24,495	51.72
1912	12,240	47,236	25.91	11,156	21,994	50.72
1913	13,017	49,387	26.36	11,385	23,002	49.50
1914	13,100	60,314	21.72	10,187	25,222	40.39
1915	11,222	54,098	20.74	6,805	18,142	37.51
1916	9,309	52,806	17.63	4,677	13,021	35.91
1917	12,056	65,614	18.37	4,614	13,531	34.10
1918	10,507	65,762	15.98	4,707	13,414	35.01
Dec. 31, 1918 (6 months)	4,308	27,216	15.83	2,065	5,783	35.71
1919	13,922	108,151	12.87	5,009	14,933	33.55
1920	15,335	120,319	12.75	9,241	30,257	30.54
1921	14,144	64,753	21.84	9,864	28,591	34.50
1922	22,102	88,471	24.98	14,001	40,526	34.56
1923	26,989	90,123	29.95	23,526	60,182	39.09
1924	24,492	77,015	31.80	22,098	54,481	40.56
1925	27,465	93,746	29.30	24,529	56,391	43.50
1926	28,681	98,328	29.17	28,908	61,089	47.32
1927	27,997	98,312	28.48	28,217	58,260	48.43
1928	28,011	92,633	30.24	25,865	53,321	48.51
1929	33,910	110,452	30.70	27,014	55,304	48.85
1930	25,859	73,337	35.26	20,524	41,646	49.28
1931	20,279	52,913	38.33	13,421	25,694	52.23

Year ended—	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	SCHEDULE 3.—Metals and mfrs.			SCHEDULE 4.—Wood and mfrs.		
			Per cent			*Per cent*
June 30, 1900	$11,281	$29,089	38.78	$2,352	$11,711	20.08
1901	10,922	28,632	38.15	2,049	10,635	19.27
1902	14,973	38,870	38.52	2,573	14,556	17.67
1903	22,368	65,165	34.33	2,815	16,659	16.90
1904	15,682	40,011	39.20	2,464	14,450	17.05
1905	14,449	36,327	39.77	2,750	16,708	16.46
1906	18,770	50,917	38.86	3,650	22,761	16.04
1907	21,882	67,149	32.59	3,701	24,472	15.12
1908	16,004	45,280	35.34	3,301	23,350	14.14
1909	15,656	41,103	38.09	3,141	23,285	13.49
1910	22,333	66,961	33.35	3,185	27,489	11.59
1911	18,869	58,757	32.11	2,960	24,710	11.98
1912	17,346	50,492	34.35	3,043	24,415	12.46
1913	20,514	64,300	31.90	3,408	27,851	12.24
1914	12,190	50,743	24.02	1,619	12,182	13.29
1915	6,990	31,836	21.96	709	4,457	15.90
1916	6,309	33,245	18.98	660	4,583	14.40
1917	7,038	33,914	20.75	756	5,207	14.52
1918	6,813	33,227	20.51	636	4,412	14.41
Dec. 31, 1918 (6 months)	3,451	16,622	20.76	218	1,675	12.99
1919	8,672	43,186	20.08	852	6,090	13.99
1920	16,677	83,337	20.01	1,979	13,367	14.81
1921	13,672	62,793	21.77	1,546	9,894	15.63
1922	20,468	82,105	24.93	2,373	13,174	18.02
1923	35,013	103,307	33.89	4,001	18,230	21.95
1924	35,240	96,768	36.21	4,161	18,115	22.97
1925	38,961	113,684	34.27	4,164	18,570	22.42
1926	48,528	147,010	33.01	4,307	18,004	23.92
1927	47,179	135,403	34.84	4,535	19,879	22.81
1928	46,251	131,921	35.06	4,191	16,917	24.77
1929	54,654	154,022	35.48	4,301	17,411	24.70
1930	36,367	97,214	37.41	3,557	17,140	20.75
1931	23,062	58,518	39.41	2,389	12,749	18.74

For footnote, see p. 386.

TABLE 14.—*Customs duties (estimated), value of dutiable imports, and ratio of duties to value of dutiable imports, by tariff schedules, for the years 1900 to 1931*—Continued

[On basis of reports of the Bureau of Foreign and Domestic Commerce; dollars in thousands]

Year ended—	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	SCHEDULE 5.—Sugar, molasses, and manufactures of			SCHEDULE 6.—Tobacco and manufactures		
			Per cent			*Per cent*
June 30, 1900	$57,823	$80,891	71.48	$14,382	$13,597	105.77
1901	63,089	87,079	72.45	16,656	15,056	110.63
1902	53,041	61,116	86.79	18,756	16,332	114.85
1903	63,626	65,959	96.46	21,892	18,299	119.63
1904	58,152	77,898	74.65	21,176	17,876	118.46
1905	51,442	91,577	56.17	22,690	20,725	109.48
1906	52,649	86,133	61.12	23,928	22,917	104.41
1907	60,339	92,784	65.03	26,125	29,959	87.20
1908	50,168	83,627	59.99	22,160	26,495	83.64
1909	56,414	93,479	60.35	23,269	27,332	85.14
1910	53,105	101,587	52.28	24,124	29,581	81.55
1911	52,809	97,877	53.95	26,160	29,788	87.82
1912	50,951	105,745	48.18	25,572	31,116	82.18
1913	53,482	91,448	58.48	26,748	32,438	82.46
1914	61,870	108,255	57.15	26,892	32,332	83.17
1915	49,608	157,571	31.48	24,875	29,499	84.33
1916	55,876	205,512	27.19	27,581	30,195	91.34
1917	55,471	243,354	22.79	29,837	37,300	79.99
1918	49,093	240,380	20.42	21,961	31,963	68.76
Dec. 31, 1918 (6 months)	18,250	87,180	20.93	12,270	20,309	60.42
1919	68,609	387,283	17.72	27,563	51,609	53.41
1920	79,536	926,467	8.58	33,695	63,816	52.80
1921	71,325	233,451	30.55	35,950	66,614	53.97
1922	147,969	232,941	63.52	31,789	62,415	50.93
1923	128,064	353,873	36.19	35,831	64,881	55.22
1924	135,506	337,862	40.23	33,941	67,530	50.26
1925	139,103	221,347	62.84	35,428	69,943	50.65
1926	146,591	205,659	71.28	38,076	70,789	53.79
1927	131,199	222,703	58.91	40,016	68,632	58.31
1928	118,572	174,760	67.85	39,315	62,319	63.09
1929	131,190	156,232	83.97	39,105	60,116	65.05
1930	116,809	116,844	99.97	40,141	56,152	71.49
1931	99,631	74,819	133.16	32,310	43,201	74.79
	SCHEDULE 7.—Agricultural products and provisions			SCHEDULE 8.—Spirits, wines, and other beverages		
			Per cent			*Per cent*
June 30, 1900	$13,184	$35,763	36.86	$8,829	$12,898	68.45
1901	13,044	38,567	33.82	9,534	14,100	67.61
1902	16,013	43,682	36.66	10,562	15,368	68.73
1903	16,282	46,221	35.23	11,647	16,785	69.39
1904	16,891	49,014	34.46	12,106	17,120	70.71
1905	15,418	47,570	32.41	12,548	17,912	70.05
1906	18,127	53,869	33.65	14,010	19,669	71.22
1907	19,204	63,721	30.14	16,318	23,083	70.69
1908	21,619	69,610	31.06	15,213	21,420	71.02
1909	23,633	71,719	32.95	16,144	23,382	69.05
1910	25,161	84,873	29.64	18,114	25,316	71.55
1911	28,744	105,974	27.12	17,299	20,355	84.99
1912	34,146	117,711	29.01	17,410	20,731	83.98
1913	27,755	99,798	27.81	19,476	22,372	87.05
1914	24,817	122,305	20.29	19,675	21,764	90.40
1915	18,036	87,673	20.57	13,405	14,393	93.14
1916	16,164	94,635	17.08	15,551	17,330	89.73
1917	17,916	132,718	13.50	13,586	18,612	73.00
1918	14,595	125,360	11.64	7,038	10,563	66.63
Dec. 31, 1918 (6 months)	5,547	49,322	11.25	1,628	3,109	52.36
1919	15,803	161,168	9.80	1,194	2,338	51.08
1920	24,521	253,569	9.70	1,157	2,543	45.52
1921	26,206	156,497	16.75	1,515	3,197	47.37
1922	42,505	199,479	21.31	1,111	2,657	41.83
1923	61,578	236,976	25.98	613	1,371	44.67
1924	60,093	235,198	25.55	431	1,065	40.47
1925	60,568	259,917	23.30	192	1,161	42.38
1926	64,373	270,063	23.84	450	1,150	39.13
1927	64,072	284,253	22.54	465	1,350	34.41
1928	64,140	282,375	22.71	483	1,346	35.88
1929	68,055	297,161	22.90	544	1,571	34.63
1930	59,595	213,035	27.97	430	1,363	31.55
1931	56,613	134,337	42.14	376	1,273	29.54

TABLE 14.—*Customs duties (estimated), value of dutiable imports, and ratio of duties to value of dutiable imports, by tariff schedules, for the years 1900 to 1931*—Continued

[On basis of reports of the Bureau of Foreign and Domestic Commerce; dollars in thousands]

Year ended—	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	SCHEDULE 9.—Cotton manufactures			SCHEDULE 10.—Flax, hemp, jute, and manufactures		
			Per cent			*Per cent*
June 30, 1900	$10,566	$20,685	51.08	$25,701	$54,733	46.96
1901	9,716	19,568	49.65	26,219	57,669	45.46
1902	10,423	21,129	49.33	30,695	68,133	45.05
1903	11,944	25,332	47.15	33,191	71,298	46.55
1904	11,035	23,412	47.07	32,898	71,460	46.04
1905	10,409	22,027	47.26	33,769	73,284	46.08
1906	12,293	26,656	46.12	41,777	92,055	45.38
1907	14,285	31,857	44.84	49,891	114,124	43.72
1908	13,878	31,577	43.95	41,922	96,177	43.59
1909	11,666	26,228	41.48	42,145	91,210	46.21
1910	13,619	28,311	48.11	49,735	106,375	46.75
1911	12,326	26,204	47.04	47,053	99,402	47.34
1912	11,085	24,358	45.51	49,062	108,698	45.14
1913	11,062	25,057	44.14	48,912	116,587	41.95
1914	9,260	32,529	28.47	19,913	56,471	35.26
1915	6,442	24,065	26.31	8,795	30,051	29.27
1916	5,969	24,245	24.62	8,619	30,944	27.85
1917	8,260	36,417	22.68	8,209	29,130	28.19
1918	6,872	30,947	22.21	7,200	26,587	27.08
Dec. 31, 1918 (6 months)	3,106	13,622	22.80	2,682	10,873	24.67
1919	7,716	33,220	23.23	6,553	27,187	24.10
1920	21,185	89,275	23.74	13,362	52,926	25.25
1921	15,242	58,414	26.09	10,118	36,828	27.47
1922	20,017	73,335	27.34	15,959	63,505	25.19
1923	21,946	68,207	32.18	24,632	121,126	20.34
1924	18,083	59,981	30.15	26,121	117,216	22.28
1925	15,347	49,999	30.69	25,684	143,907	17.87
1926	13,666	39,842	34.30	26,737	145,168	18.42
1927	14,561	40,461	35.99	26,525	126,524	20.96
1928	15,681	42,456	36.93	25,088	135,769	18.48
1929	15,627	42,855	36.46	24,600	129,409	19.01
1930	13,457	33,282	40.43	20,571	95,570	21.52
1931	13,595	28,653	47.45	15,927	57,780	27.56
	SCHEDULE 11.—Wool and manufactures of			SCHEDULES 12 and 13.—Silk and rayon manufactures		
			Per cent			*Per cent*
June 30, 1900	$21,637	$30,657	70.58	$15,772	$30,359	51.95
1901	21,575	30,728	70.21	14,216	26,836	53.12
1902	26,397	35,364	74.64	17,293	32,242	53.64
1903	29,196	40,560	71.98	19,277	36,048	53.47
1904	27,252	39,963	68.19	16,610	31,483	52.76
1905	33,078	53,465	61.87	17,010	31,823	53.45
1906	37,969	63,265	60.02	17,351	32,592	53.24
1907	36,561	62,832	58.19	20,314	38,817	52.33
1908	28,815	45,822	62.95	16,493	31,755	51.94
1909	33,365	52,814	63.17	16,284	31,001	52.53
1910	41,905	70,745	59.23	17,024	32,296	52.71
1911	28,983	48,395	59.89	16,053	30,994	51.80
1912	27,072	48,361	55.98	13,695	26,572	51.54
1913	25,833	45,336	56.98	14,812	29,224	50.68
1914	16,957	39,265	43.19	15,377	34,040	45.17
1915	9,912	30,438	32.56	9,810	23,098	42.47
1916	6,129	18,353	33.39	11,928	28,305	42.14
1917	7,081	21,184	33.13	14,655	35,124	41.72
1918	8,956	27,048	33.11	10,067	24,474	41.13
Dec. 13, 1918 (6 months)	2,962	9,827	30.14	4,308	10,749	40.08
1919	5,695	18,128	31.42	20,276	49,684	40.81
1920	16,720	49,800	33.57	21,773	55,793	39.02
1921	18,307	52,410	34.93	18,576	45,055	41.23
1922	48,225	79,956	60.31	16,622	36,653	45.35
1923	91,466	162,016	56.45	21,692	40,794	53.18
1924	62,582	123,904	50.51	17,629	33,234	53.05
1925	71,019	162,458	43.71	21,388	40,304	53.07
1926	73,965	148,187	49.91	24,074	44,138	54.54
1927	67,219	127,707	52.64	28,815	51,293	56.18
1928	57,172	115,181	49.64	27,810	48,739	57.06
1929	61,815	121,636	50.82	27,349	47,156	58.00
1930	40,877	70,357	58.10	13,418	23,073	58.16
1931	24,483	32,339	75.71	10,313	17,249	59.79

TABLE 14.—*Customs duties (estimated), value of dutiable imports, and ratio of duties to value of dutiable imports, by tariff schedules, for the years 1900 to 1931*—Continued

[On basis of reports of the Bureau of Foreign and Domestic Commerce; dollars in thousands]

Year ended—	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	SCHEDULE 14.—Pulp, paper, and books			SCHEDULE 15.—Sundries		
			Per cent			*Per cent*
June 30, 1900	$1,765	$7,695	22.93	$18,774	$77,801	24.13
1901	1,703	7,021	24.25	17,913	76,193	23.51
1902	1,896	8,048	23.56	20,181	86,668	23.29
1903	2,221	9,908	22.28	20,843	98,423	21.18
1904	2,379	10,771	22.09	18,767	78,681	23.85
1905	2,526	11,975	21.09	20,771	92,513	22.45
1906	3,021	14,174	21.31	26,601	119,640	22.23
1907	4,136	20,005	20.67	29,892	133,093	22.45
1908	4,415	22,335	19.75	24,475	94,616	25.87
1909	4,412	22,765	19.39	26,387	113,862	23.17
1910	5,285	24,833	21.28	29,134	120,594	24.16
1911	5,645	26,111	21.62	27,448	109,050	25.17
1912	4,887	22,828	21.41	26,932	108,953	24.72
1913	5,091	24,899	20.45	30,759	128,018	24.03
1914	3,114	13,999	22.25	48,539	144,588	33.57
1915	1,989	9,386	21.19	37,159	100,817	36.86
1916	1,258	6,491	19.38	39,496	123,485	31.98
1917	1,682	8,036	20.92	40,286	134,558	29.94
1918	1,185	6,368	18.60	30,568	106,803	28.62
Dec. 31, 1918 (6 months)	460	2,759	16.67	12,653	44,035	28.73
1919	1,106	6,797	16.27	54,433	206,417	26.37
1920	1,749	10,488	16.68	68,704	233,908	29.37
1921	1,672	8,902	18.78	54,222	165,192	32.82
1922	2,776	12,806	21.67	65,370	197,513	33.09
1923	4,667	19,217	24.29	86,647	226,319	38.29
1924	4,813	18,729	25.70	86,695	215,846	40.17
1925	4,416	18,682	23.64	83,288	217,279	38.33
1926	5,241	21,463	24.42	86,448	229,078	37.74
1927	5,417	22,138	24.47	88,624	226,117	39.19
1928	7,881	25,910	30.42	81,810	215,657	37.94
1929	6,099	24,089	25.32	90,509	241,030	37.55
1930	5,024	19,428	25.86	65,256	171,513	37.39
1931	3,361	12,927	26.00	55,011	141,310	38.12

	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	Tea		
			Per cent
June 30, 1900	$8,009	$10,835	73.91
1901	8,259	10,005	82.55
1902	7,883	10,327	76.33
1903	2,178	3,028	71.93

[1] The amount of customs duties is calculated in the Bureau of Foreign and Domestic Commerce on the basis of reports showing the quantity and value of merchandise imported. Total estimated duties and total value of dutiable imports will be found in Table 13. For figures for 1890 to 1899, see annual report for 1930, p. 525.

TABLE 15.—*Customs receipts and expenditures, by districts, for the fiscal year 1932*

District	Duties on imports [1]	Expenditures [2]			Total number of entries
		Excessive duties refunded	Drawback paid	Expenses reported by collectors	
Alaska (No. 31)	$18, 270. 15	$428. 86		$69, 592. 86	1, 417
Arizona (No. 26)	2, 443, 446. 83	2, 308. 57		177, 759. 80	12, 964
Buffalo (No. 9)	2, 424, 696. 29	23, 621. 39	$39, 847. 45	586, 882. 16	70, 260
Chicago (No. 39)	6, 477, 968. 05	215, 029. 97	207, 513. 89	512, 051. 13	103, 197
Colorado (No. 47)	170, 669. 73	4, 426. 62		18, 886. 97	4, 941
Connecticut (No. 6)	497, 928. 75	4, 928. 12	19, 055. 68	58, 952. 27	3, 119
Dakota (No. 34)	254, 601. 05	2, 939. 41	3. 46	216, 200. 81	12, 497
Duluth and Superior (No. 36)	169, 734. 57	11, 836. 37		100, 717. 54	8, 784
El Paso (No. 24)	350, 731. 35	287. 96		225, 525. 30	13, 225
Florida (No. 18)	2, 802, 887. 31	19, 759. 65	14, 609. 60	449, 359. 54	44, 281
Galveston (No. 22)	5, 858, 513. 34	49, 242. 29	2, 751. 97	230, 950. 61	6, 821
Georgia (No. 17)	4, 633, 968. 87	8, 495. 90	13. 81	85, 583. 17	3, 339
Hawaii (No. 32)	1, 480, 013. 01	15, 207. 95	11, 480. 81	154, 646. 32	12, 691
Indiana (No. 40)	305, 388. 21	1, 768. 91	202. 94	21, 391. 35	1, 099
Iowa (No. 44)	67, 352. 89	367. 84		13, 243. 41	487
Kentucky (No. 42)	839, 774. 60	3, 526. 41	8, 194. 38	18, 189. 99	2, 394
Los Angeles (No. 27)	3, 652, 206. 73	90, 102. 90	73, 194. 19	362, 405. 06	54, 676
Maine and New Hampshire (No. 1)	481, 253. 29	2, 667. 59		466, 668. 24	55, 819
Maryland (No. 13)	11, 469, 892. 56	81, 128. 12	114, 615. 45	599, 557. 81	49, 969
Massachusetts (No. 4)	22, 143, 658. 96	99, 534. 05	440, 606. 66	1, 407, 579. 22	96, 312
Michigan (No. 38)	1, 966, 377. 27	34, 547. 08	208, 295. 79	991, 915. 36	72, 635
Minnesota (No. 35)	477, 714. 71	6, 477. 91	3, 200. 89	57, 721. 41	24, 158
Mobile (No. 19)	1, 141, 028. 76	1, 266. 67	31, 371. 18	68, 195. 96	1, 347
Montana and Idaho (No. 33)	240, 594. 70	2, 543. 83		184, 396. 73	6, 376
New Orleans (No. 20)	16, 168, 533. 49	39, 042. 73	203, 565. 41	668, 461. 85	37, 232
New York (No. 10)	175, 941, 528. 58	3, 855, 847. 72	7, 844, 315. 61	8, 437, 974. 13	1, 170, 413
North Carolina (No. 15)	10, 263, 287. 61	1, 454. 33	101, 578. 18	58, 549. 44	11, 172
Ohio (No. 41)	2, 025, 211. 92	37, 947. 41	218, 366. 63	197, 023. 78	36, 635
Omaha (No. 46)	219, 353. 38	1, 722. 02		15, 406. 63	1, 930
Oregon (No. 29)	656, 702. 94	19, 159. 06	27, 411. 72	130, 166. 50	9, 763
Philadelphia (No. 11)	21, 241, 870. 92	422, 987. 29	1, 214, 424. 01	998, 595. 02	71, 884
Pittsburgh (No. 12)	1, 918, 853. 30	23, 225. 29	3, 665. 57	56, 210. 72	4, 950
Puerto Rico (No. 49)	2, 505, 372. 31	13, 518. 33	6, 511. 87	232, 281. 78	14, 123
Rhode Island (No. 5)	1, 118, 587. 70	2, 754. 90	29, 325. 50	54, 626. 97	3, 070
Rochester (No. 8)	615, 553. 08	6, 487. 16	2, 493. 58	96, 710. 40	3, 797
Sabine (No. 21)	19, 421. 34			38, 165. 31	565
St. Lawrence (No. 7)	698, 157. 04	5, 238. 19		390, 578. 81	30, 963
St. Louis (No. 45)	2, 017, 170. 74	41, 128. 91	16, 055. 75	126, 931. 90	22, 109
San Antonio (No. 23)	417, 761. 73	6, 673. 35		281, 365. 11	16, 248
San Diego (No. 25)	90, 751. 92	253. 15	3, 165. 25	190, 865. 53	5, 267
San Francisco (No. 28)	7, 669, 549. 43	179, 990. 30	576, 773. 00	944, 478. 88	119, 672
South Carolina (No. 16)	1, 167, 233. 64	1, 136. 60		25, 115. 90	616
Tennessee (No. 43)	73, 648. 04	2, 065. 24		24, 482. 18	1, 105
Utah and Nevada (No. 48)	33, 811. 16	189. 15		8, 257. 79	3, 408
Vermont (No. 2)	518, 030. 89	3, 503. 21		436, 716. 88	46, 362
Virginia (No. 14)	7, 219, 398. 01	9, 172. 15	480. 01	197, 080. 11	28, 286
Washington (No. 30)	2, 380, 613. 02	97, 593. 38	32, 860. 47	699, 396. 25	49, 986
Wisconsin (No. 37)	604, 653. 51	4, 357. 33	6, 435. 38	58, 675. 70	12, 324
Total [3]	326, 448, 358. 37	5, 444, 373. 27	11, 455, 874. 31	21, 214, 212. 14	2, 350, 595

[1] Customs receipts, on the basis of reports of collections, are credited to the districts in which the collections are made. Receipts in the various districts do not indicate the tax burden of the respective districts, since the taxes may be eventually borne by persons in other divisions. The duties on a warrant basis during the fiscal year 1932 amounted to $327,553,773.70.

[2] As shown on the accounts of the Bureau of Customs.

[3] Figures for Puerto Rico not included in totals.

SUMMARY OF COLLECTIONS AND EXPENDITURES

Collections:	
Customs receipts—	
Duties on imports	$326, 448, 358. 37
Miscellaneous fines, penalties, etc	2, 064, 145. 86
Total	328, 512, 504. 23
Collections for other departments, bureaus, etc.—	
Tonnage tax for the Department of Commerce	1, 575, 896. 43
Head tax for the Department of Labor	904, 320. 00
Miscellaneous taxes for other bureaus, etc	805, 811. 78
Total	3, 286, 028. 21
Total customs collections	331, 798, 532. 44
Expenditures from customs appropriation:	
Expenses as reported by collectors	21, 214, 212. 14
All other, including customs agency service and bureau salaries, etc	2, 118, 739. 44
Total	23, 332, 951. 58
Less refunds to customs appropriation on account of reimbursable expenditures	547, 858. 79
Total exclusive of reimbursable items	22, 785, 092. 79

TABLE 16.—*Panama Canal receipts and expenditures for the fiscal years 1903 to 1932*

[On basis of warrants issued, see p. 337]

Year	Receipts covered into the Treasury [1]	Expenditures			
		Construction, maintenance, and operation [2]	Fortifications	Total general expenditures	Interest paid on Panama Canal loans
1903		$9,985.00		$9,985.00	
1904		50,164,500.00		[3] 50,164,500.00	
1905	$371,253.06	3,918,819.83		3,918,819.83	
1906	380,680.10	19,379,373.71		19,379,373.71	
1907	1,178,949.85	27,198,618.71		27,198,618.71	
1908	1,083,761.49	38,093,929.04		38,093,929.04	$785,268.00
1909	705,402.42	31,419,442.41		31,419,442.41	1,319,076.58
1910	3,214,389.48	33,911,673.37		33,911,673.37	1,692,166.40
1911	1,757,284.44	37,038,994.71	$30,608.75	37,069,603.46	1,691,107.20
1912	2,982,823.92	34,285,276.50	1,036,091.08	35,321,367.58	3,000,669.60
1913	4,070,231.27	40,167,866.71	1,823,491.32	41,991,358.03	3,201,055.81
1914	698,647.87	31,702,359.61	3,376,900.85	35,079,260.46	3,194,105.95
1915	4,130,241.27	24,677,107.29	4,767,605.38	29,444,712.67	3,199,385.05
1916	2,869,995.28	14,888,194.78	2,868,341.97	17,756,536.75	3,189,024.79
1917	6,150,668.59	16,199,262.47	3,313,532.55	19,512,795.02	3,103,250.67
1918	6,414,570.25	13,549,762.56	7,487,862.36	21,037,624.92	2,976,476.55
1919	6,777,046.55	10,954,409.74	1,561,364.74	12,515,774.48	2,984,888.33
1920	9,039,670.95	6,281,463.72	3,433,592.82	9,715,056.54	3,040,872.89
1921	11,914,361.32	16,480,390.79	2,088,007.66	18,568,398.45	2,994,776.66
1922	12,049,660.65	3,011,035.40	896,327.45	3,937,362.85	2,995,398.14
1923	17,869,985.25	3,870,503.37	950,189.20	4,820,692.57	2,997,904.81
1924	27,124,513.33	7,391,711.97	393,963.37	7,785,675.34	2,992,461.19
1925	22,903,732.44	9,300,509.73	872,689.93	10,173,199.66	2,988,918.80
1926	24,291,917.87	8,669,333.57	1,153,322.38	9,822,655.95	2,989,598.76
1927	25,894,701.45	7,863,376.03	586,043.94	8,449,419.97	2,991,988.25
1928	28,834,345.42	10,909,442.27	1,165,632.53	12,075,074.80	2,987,329.95
1929	28,831,447.24	10,220,913.25	943,985.31	11,164,898.56	3,002,235.80
1930	28,971,643.03	10,497,935.33	999,413.77	11,497,349.10	2,991,375.23
1931	26,534,587.74	10,303,755.15	916,979.29	11,220,734.44	2,992,366.42
1932	22,448,911.57	10,904,319.70	779,868.12	11,684,187.82	2,989,627.15
Total	329,495,421.10	543,294,266.72	41,445,814.77	584,740,081.49	69,722,491.81

[1] Beginning with the fiscal year 1924, the amounts shown in this column have been revised to include the sums received as dividends on capital stock of the Panama Railroad owned by the United States.

[2] The amounts shown in this column have been revised to include the payments to the Government of Panama under the treaty of Nov. 18, 1903, of $250,000 per annum, the first payment being made during the fiscal year 1913, and similar payments continuing each year since that date; but do not include the payments to the Government of Colombia growing out of the construction of the Panama Canal of $5,000,000 per annum during the fiscal years 1923 to 1927, inclusive, an aggregate sum of $25,000,000, as provided for under the treaty of Apr. 6, 1914. Includes expenses of civil government, Panama Canal and Canal Zone.

[3] This amount includes the $40,000,000 paid to the New Panama Canal Co. of France for the acquisition of the property, and the $10,000,000 paid to the Republic of Panama in connection with the Canal Zone as provided for under article 14 of the treaty of Nov. 18, 1903.

Estimates of receipts and appropriations

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*

[Estimates on basis of the latest information received from the Bureau of the Budget. For explanation of funds, see p. 338]

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
GENERAL AND SPECIAL FUNDS			
Revenue receipts:			
Internal revenue—			
Income taxes	$1,057,335,853.19	$860,000,000.00	$1,010,000,000.00
Miscellaneous internal revenue—			
Estate tax	47,422,313.00	30,000,000.00	105,000,000.00
Gift tax		5,000,000.00	10,000,000.00
Distilled spirits and fermented liquors	8,703,963.27	8,000,000.00	9,000,000.00
Tobacco manufactures	400,921,777.31	394,649,900.00	419,650,000.00
Dues of clubs (athletic, social, and sporting)	9,204,587.04	7,000,000.00	9,000,000.00
Admission to theaters, concerts, cabarets, etc	1,858,605.97	21,000,000.00	25,000,000.00
Stamp taxes, including playing cards	32,240,819.57	71,000,000.00	88,000,000.00
Oleomargarine, process butter, etc	1,753,573.78	2,000,000.00	2,000,000.00
Miscellaneous, including prohibition and narcotic taxes, delinquent taxes under repealed laws, etc	1,209,863.91	1,000,000.00	1,000,000.00
Lubricating oils		22,000,000.00	31,000,000.00
Brewer's wort, malt, grape concentrates, etc		10,000,000.00	12,000,000.00
Matches		1,500,000.00	2,000,000.00
Gasoline		138,000,000.00	13,000,000.00
Electrical energy		31,000,000.00	37,000,000.00
Tires and inner tubes		19,000,000.00	30,000,000.00
Toilet preparations, etc		11,000,000.00	15,000,000.00
Articles made of fur		8,000,000.00	11,000,000.00
Jewelry (watches, clocks, opera and field glasses, etc.)		4,000,000.00	5,000,000.00
Automobile trucks		2,000,000.00	3,000,000.00
Other automobiles and motor cycles		15,000,000.00	27,000,000.00
Parts or accessories for automobiles		5,000,000.00	7,000,000.00
Radio sets, phonograph records, etc		4,000,000.00	7,000,000.00
Mechanical refrigerators		4,000,000.00	6,000,000.00
Sporting goods, cameras and lenses		4,000,000.00	6,000,000.00
Firearms, shells, and cartridges		1,500,000.00	2,000,000.00
Candy and chewing gum		5,000,000.00	6,000,000.00
Soft drinks		5,000,000.00	8,000,000.00
Telephone, telegraph, radio, and cable facilities, leased wires, etc		17,000,000.00	20,000,000.00
Transportation of oil by pipe line		6,000,000.00	7,000,000.00
Leases of safe deposit boxes		2,000,000.00	2,000,000.00
Checks, drafts, or orders for the payment of money		45,000,000.00	55,000,000.00
Miscellaneous internal revenue:			
General fund	503,315,503.85	899,649,900.00	980,650,000.00
Special funds	354,977.34	350,100.00	350,000.00
Total miscellaneous internal revenue	503,670,481.19	900,000,000.00	981,000,000.00
Total internal revenue	1,561,006,334.38	1,760,000,000.00	1,991,000,000.00
Customs (excluding tonnage tax)—			
General fund [1]	327,752,391.15	289,994,500.00	319,990,000.00
Special funds	2,577.97	5,500.00	10,000.00
Total customs	327,754,969.12	290,000,000.00	320,000,000.00
Miscellaneous [2]—			
Miscellaneous taxes—			
Federal reserve and Federal intermediate credit banks franchise tax	21,294.27	3,500,000.00	3,500,000.00
Tax on deficiencies in gold reserves of Federal reserve banks	256.92		
Tax on circulation of national banks	3,175,189.24	3,800,000.00	4,000,000.00
Taxes, licenses, fines, etc., Canal Zone	86,291.16	80,000.00	80,000.00
Tonnage tax	1,606,197.73	1,800,000.00	1,800,000.00
Immigration head tax	918,384.00	600,000.00	600,000.00
Total miscellaneous taxes	5,807,613.32	9,780,000.00	9,980,000.00

[1] Includes receipts from duties levied by Sec. 601 of revenue act of 1932.
[2] Miscellaneous receipts classified by departments and establishments on p. 396.

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
GENERAL AND SPECIAL FUNDS—continued			
Revenue receipts—Continued.			
Miscellaneous—Continued			
Interest, exchange, and dividends on capital stock—			
Interest on advance payment to contractors	$64, 760. 62	----------	----------
Interest on deferred payments or collections	81, 212. 63	$187, 523. 00	$183, 250. 00
Interest on bonds of foreign governments under funding agreements	----------	195, 094, 693. 00	205, 724, 562. 00
Interest on farmers' seed and feed loans	1, 100, 865. 83	508, 600. 00	108, 650. 00
Interest on advances to Colorado River dam fund, Boulder Canyon project	----------	1, 000, 000. 00	1, 700, 000. 00
Interest on income of Library of Congress trust fund, investment account	36, 741. 08	35, 000. 00	35, 000. 00
Interest on endowment fund, preservation of birthplace of Abraham Lincoln	2, 040. 00	2, 040. 00	2, 040. 00
Interest on investment of funds contributed for American National Red Cross Building	7, 729. 12	450. 00	----------
Interest on investments, National Institute of Health conditional gift fund	3, 480. 14	3, 200. 00	3, 200. 00
Interest on public deposits	2, 140, 419. 61	1, 836, 100. 00	1, 864, 100. 00
Interest on miscellaneous obligations	199, 818. 99	122, 888. 00	137, 750. 00
Interest on money loaned from construction loan fund	2, 928, 590. 17	3, 950, 000. 00	3, 650, 000. 00
Interest on obligations of Reconstruction Finance Corporation	----------	25, 000, 000. 00	30, 000, 0000. 00
Discount on Treasury bonds redeemed and purchased	1, 706, 569. 53	----------	----------
Dividends on capital stock of the Panama Railroad owned by the United States	700, 000. 00	2, 650, 000. 00	700, 000. 00
Gain by exchange	454. 95	1, 165. 00	1, 165. 00
Repayments, military and naval insurance, Veterans' Administration, 1932 and prior years	306, 519. 90	300, 000. 00	300, 000. 00
Repayments, Federal control of transportation systems	25, 402. 02	9, 048. 00	18, 082. 00
Repayments, loans to railroads after termination of Federal control	652, 426. 25	492, 850. 00	564, 190. 00
Total interest, exchange, and dividends on capital stock	9, 957, 030. 84	231, 193, 557. 00	244, 991, 989. 00
Fines and penalties—			
Judicial	539, 279. 25	602, 000. 00	602, 000. 00
Customs Service	1, 221, 934. 81	1, 230, 400. 00	1, 230, 400. 00
Immigration Service	100, 688. 84	75, 000. 00	75, 000. 00
Enforcement of national prohibition act (Judicial)	3, 220, 501. 28	3, 300, 000. 00	3, 300, 000. 00
Navigation	42, 354. 94	50, 000. 00	50, 000. 00
Liquidated damages	33, 583. 31	35, 000. 00	35, 000. 00
Navy fines and forfeitures	431, 930. 78	425, 000. 00	400, 000. 00
Other	28, 257. 19	27, 930. 00	28, 130. 00
Total fines and penalties	5, 618, 530. 40	5, 745, 330. 00	5, 720, 530. 00
Fees—			
Alaska game laws	22, 075. 51	25, 000. 00	25, 000. 00
Agricultural commodities act	147, 020. 17	150, 000. 00	150, 000. 00
Board of Tax Appeals	78, 849. 65	75, 000. 00	75, 000. 00
Clerks, United States courts	1, 661, 254. 19	1, 725, 000. 00	1, 750, 000. 00
Commissions on telephone pay stations in Federal buildings and rented post offices	67, 407. 38	71, 340. 00	72, 340. 00
Consular and passport	4, 765, 414. 97	4, 400, 000. 00	4, 428, 000. 00
Copying	27, 554. 95	23, 050. 00	22, 550. 00
Copyright	280, 091. 30	300, 000. 00	300, 000. 00
Fees and commissions (land offices)	337, 346. 89	315, 000. 00	295, 000. 00
Immigration (registration)	304, 480. 00	150, 400. 00	100, 400. 00
Indian lands and timber	84, 993. 74	90, 000. 00	100, 000. 00
Marshals, United States courts	184, 135. 24	260, 000. 00	260. 000. 00
Naturalization	3, 093, 558. 00	2, 500, 000. 00	2, 500, 000. 00
Naval stores grading	9, 917. 81	10, 000. 00	10, 000. 00
Navigation	188, 551. 81	200, 000. 00	200, 000. 00
Patent	4, 399, 686. 53	4, 600, 000. 00	4, 600, 000. 00

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
GENERAL AND SPECIAL FUNDS—continued			
Revenue receipts—Continued.			
Miscellaneous—Continued.			
Fees—Continued.			
Purchase of discharges, Navy and Marine Corps	$4,890.99	$5,000.00	$5,000.00
Testing	67,514.37	65,000.00	70,000.00
Warehouse act	28,010.00	30,000.00	30,000.00
Other	114,576.59	120,475.00	120,740.00
Total fees	15,867,330.09	15,115,265.00	15,114,030.00
Forfeitures—			
Bonds of aliens, contractors, etc	408,166.37	396,585.00	396,085.00
Bribes to United States officers	10,276.67	9,725.00	9,725.00
Customs Service	156,732.23	90,100.00	90,100.00
Under enforcement of national prohibition act (Treasury and Judicial)	176,535.43	175,175.00	175,175.00
Unclaimed moneys and wages remaining in registry of courts	277,549.08	280,000.00	280,000.00
Unclaimed funds	11,154.38	1,704.00	2,216.00
Unclaimed merchandise	33,691.71	32,200.00	32,200.00
Unexplained balances in cash accounts	1,209.06	700.00	700.00
Other	42,485.15	53,250.00	51,750.00
Total forfeitures	1,117,800.08	1,039,439.00	1,037,951.00
Assessments—			
Immigration Service overtime	72,155.60	75,000.00	75,000.00
Colorado River dam fund, Boulder Canyon project	15,632.63	25,000.00	50,000.00
Deposits for establishing wool standards	42,000.00	28,300.00	39,300.00
Deposits, public survey work, Alaska	3,210.11	1,000.00	1,000.00
Deposits, public survey work, general	8,961.93	9,000.00	9,000.00
On Federal reserve banks for salaries and expenses, Federal Reserve Board	1,711,553.48	1,721,200.00	1,731,300.00
On Federal and joint stock land banks, and Federal intermediate credit banks, salaries and expenses, Federal Farm Loan Board	393,654.77	380,000.00	380,000.00
On Federal Home Loan Banks for salaries and expenses	------------	------------	322,000.00
General railroad contingent fund	382,981.83	500,000.00	500,000.00
German Government's moiety, expenses, Mixed Claims Commission	8,854.61	------------	------------
Naval hospital fund	442,010.56	440,000.00	425,000.00
Salaries and expenses, national bank examiners	2,636,376.07	2,600,000.00	2,600,000.00
Total assessments	5,717,391.59	5,779,500.00	6,132,600.00
Reimbursements—			
Construction charges (Indian Service)	24,462.20	30,000.00	40,000.00
Collections under grain and cotton standards acts	176,291.73	155,000.00	155,000.00
Deductions from awards of Mixed Claims Commission, United States and Germany, to cover reimbursement for expenses, incurred by United States, settlement of war claims act of 1928	67,772.63	150,000.00	24,000.00
By District of Columbia for advances for acquisition of lands under sec. 4, act May 29, 1930, as amended	1,000,000.00	1,000,000.00	1,000,000.00
Maintenance of District of Columbia inmates in Federal penal and correctional institutions	132,405.19	130,000.00	100,000.00
By State of Arizona for expenditures, nonproduction of cotton zones for 1930 crop losses	163,750.00	145,950.00	------------
By contractors for excess cost over contract price	69,832.72	90,550.00	50,550.00
Expenses, miscellaneous	18,580.75	14,760.00	14,760.00
Expenses of redeeming national currency	489,547.75	472,823.00	496,020.00
Inspection of food and farm products	289,258.87	285,800.00	285,800.00
Expenses of international service of ice observations and patrol	90,232.69	125,000.00	125,000.00
Gasoline State tax	10,107.14	6,000.00	6,000.00

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
GENERAL AND SPECIAL FUNDS—continued			
Revenue receipts—Continned.			
Miscellaneous—Continued.			
Reimbursements—Continued.			
Government property lost or damaged	$64,441.10	$59,770.00	$58,270.00
Hospitalization charges and expenses	82,502.88	63,600.00	63,600.00
Refund on empty containers	4,720.10	4,205.00	4,205.00
Maintenance and operation charges, irrigation systems, Indian Service	333,258.10	320,000.00	320,000.00
Collections, reclamation fund	3,326,717.88	3,000,000.00	4,000,000.00
Auxiliary reclamation fund, Yuma project, Arizona	23,859.45	25,000.00	25,000.00
Costs from estates of deceased Indians	53,730.39	55,000.00	55,000.00
Of appropriations made for Indian tribes	84,608.59	85,000.00	85,000.00
Settlement of claims	9,713.88	6,700.00	5,200.00
Other	61,848.70	65,081.00	65,881.00
Total reimbursements	6,577,642.74	6,290,239.00	6,979,286.00
Gifts and contributions—			
Contributions to Library of Congress fund, investment account	2,634.17	2,000.00	2,000.00
Library of Congress gift fund	222,986.68	74,000.00	35,000.00
For American National Red Cross Building	239,748.67	45,820.00	
For National Institute of Health, conditional gift fund	56.00	50.00	50.00
Moneys received from known and unknown persons	2,924.88	2,950.00	2,950.00
Donations to the United States	1,397.53	375.00	375.00
For chapel, Federal Industrial Institution for Women	57.18	100.00	100.00
For topographic survey of the United States	10,000.00		
Forest service cooperative work	2,125,245.46	1,700,000.00	1,700,000.00
Donations, National Park Service	14,269.50	300,000.00	300,000.00
Contributions and advances for river and harbor improvements	2,517,282.32	1,790,000.00	2,200,000.00
For roads, bridges, and related works, Alaska	114,918.31	200,000.00	200,000.00
For paving road, Fort Sill Military Reservation, Okla	73,528.62		
For paving LaFayette extension road	11,479.85		
Other		500.00	500.00
Total gifts and contributions	5,336,529.17	4,115,795.00	4,440,975.00
Sales of Government property—products—			
Scrap and salvaged materials, condemned stores, waste paper, refuse, etc	1,443,819.86	1,493,030.00	1,363,230.00
Agricultural products, including livestock and livestock products	49,870.75	47,300.00	47,300.00
Card indexes, Library of Congress	248,082.83	250,000.00	260,000.00
Dairy products	41,325.28	45,000.00	45,000.00
Electric current	68,792.65	58,400.00	58,400.00
Electric current, Dam No. 2, Muscle Shoals, Ala	698,098.04	560,000.00	500,000.00
Electric current, power plant, Coolidge Dam, Ariz	36,305.55	40,000.00	40,000.00
Gas from helium plants	30,462.00	50,400.00	40,400.00
Heat, light, and power (Capitol power plant)	164,789.18	163,000.00	163,000.00
Ice	61,225.93	51,500.00	51,500.00
Occupational therapy products	78,463.31	80,300.00	80,300.00
Public documents, charts, maps, etc	281,222.69	312,820.00	332,820.00
Seal and fox skins and furs	146,984.91	13,300.00	108,500.00
Subsistence (meals, rations, etc.)	28,260.90	27,800.00	28,000.00
Water	56,204.32	55,525.00	55,525.00
Other	45,437.60	41,185.00	39,985.00
Total sales of Goverment property—products	3,479,345.80	3,289,560.00	3,213,960.00

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
GENERAL AND SPECIAL FUNDS—continued			
Revenue receipts—Continued.			
Miscellaneous—Continued.			
Sales of services—			
Alaska Railroad fund receipts	$1,466,556.65	$1,291,300.00	$1,291,300.00
Earnings from business operations (U. S. Housing Corporation)	[3] *18,709.94*		
Fumigating and disinfecting	12,480.00	15,000.00	15,000.00
Laundry and dry-cleaning operations	1,083,513.11	1,061,200.00	1,046,200.00
Livestock breeding service	2,223.06	2,100.00	1,800.00
Overhead charges on sales of services or supplies (War and Navy)	96,333.05	91,000.00	90,000.00
Profits from sale of ships' stores, Navy	266,415.85	265,000.00	265,000.00
Quarantine charges (including fumigation, disinfection, inspection, etc., of vessels)	293,689.40	294,000.00	294,000.00
Quarters, subsistence, and laundry service	102,413.17	101,060.00	101,060.00
Radio service	57,052.75	45,800.00	45,800.00
Storage and other charges	188,892.89	284,050.00	249,050.00
Telephone and telegraph	281,360.54	281,235.00	281,235.00
Tolls and profits, Panama Canal	21,285,778.65	19,506,342.00	20,500,000.00
Work done for individuals, corporations, et al	49,176.10	47,050.00	47,050.00
Other	24,366.60	17,390.00	17,390.00
Total sales of services	25,191,541.88	23,302,527.00	24,244,885.00
Rents and royalties—			
Rent of public buildings, grounds, etc	411,396.74	414,020.00	343,520.00
Rent of land	97,935.52	79,700.00	59,700.00
Rent of equipment	74,581.01	55,500.00	55,500.00
Rent of telegraph and telephone facilities	17,708.19	14,930.00	14,930.00
Rent of water-power sites	55,426.57	55,300.00	55,300.00
Leases, Annette Islands reserve, Alaska	11,969.94	15,000.00	15,000.00
Receipts under mineral leasing acts	3,236,988.35	3,330,000.00	3,330,000.00
Royalties on oil, gas, etc	725,511.01	720,050.00	725,050.00
Other	17,901.75	54,900.00	51,900.00
Total rents and royalties	4,649,419.08	4,739,400.00	4,650,900.00
Permits, privileges, and licenses—			
Alaska fund	200,310.49	210,000.00	210,000.00
Business concessions	224,840.01	231,460.00	241,510.00
Fishing and hunting	231.00	235.00	235.00
Game and bird refuges revenue	1,067.91	1,000.00	1,000.00
Immigration permits	347,125.69	360,000.00	360,000.00
Licenses under Federal water-power act	570,243.67	593,000.00	605,000.00
Permits to enter national parks	592,582.15	590,000.00	630,000.00
Pipe-line water and power transmission rights	15,116.14	15,155.00	15,155.00
Other	1,499.85	1,500.00	1,500.00
Total permits, privileges, and licenses	1,953,016.91	2,002,350.00	2,064,400.00
Mint receipts (profits on coinage, bullion deposits, etc.)	812,469.31	1,310,000.00	500,000.00
Forest reserve fund	2,361,904.87	3,783,000.00	3,724,000.00
Postal receipts, Panama Canal	242,300.56	230,000.00	230,000.00
United States share of District of Columbia receipts	66,970.75		
	3,483,645.49	5,323,000.00	4,454,000.00
Total miscellaneous revenue receipts	94,756,837.39	317,715,962.00	333,025,506.00
Total revenue receipts	1,983,518,140.89	2,367,715,962.00	2,644,025,506.00
Nonrevenue receipts:			
Miscellaneous—			
Army costs due the United States from Germany		3,013,000.00	5,158,000.00

[3] Debit item, deduct.

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
GENERAL AND SPECIAL FUNDS—continued			
Nonrevenue receipts—Continued.			
Miscellaneous—Continued			
Realization upon assets—			
Repayment of investments—			
Federal control of transportation systems (repayments to appropriations)	$34, 600. 00	$33, 600. 00	$34, 600. 00
Loans to railroads after termination of Federal control, etc. (repayments to appropriations)	983, 141. 91	383, 000. 00	659, 500. 00
Farmers' seed-grain and feed loans (repayments to appropriations)	99. 90	1, 200. 00	1, 200. 00
Agricultural credits and rehabilitation, emergency relief (repayments to appropriations)	1, 274, 558. 03	4, 000, 000. 00	3, 000, 000. 00
Loans to farmers in storm, drought, and flood-stricken areas (repayments to appropriations)	14, 907, 490. 03	15, 076, 000. 00	5, 551, 000. 00
Reimbursement of relief moneys furnished American citizens in Europe	47. 70	50. 00	
Liquidation of capital stock, Federal land banks	61, 793. 75	330, 000. 00	330, 009-00
Principal of bonds of foreign governments under funding agreements		73, 499, 881. 00	123, 018, 315. 00
Principal of government-owned securities (sale of war supplies)	92, 497. 20	17, 485. 00	11, 500. 00
Construction costs of public works in Colon and Panama	70, 288. 36	57, 000. 00	57, 000. 00
Other	10, 233. 00	10, 250. 00	10, 250. 00
Total repayments of investments	17, 434, 749. 88	93, 408, 466. 00	132, 673, 365. 00
Sales of public lands	170, 339. 09	150, 000. 00	150, 000. 00
Sales of Government property—			
Capital equipment, including trucks, horses, cars, machinery, furniture and fixtures, and other capital equipment	204, 919. 76	124, 940. 00	123, 940. 00
Land and buildings	351, 433. 18	227, 325. 00	6, 132, 427. 00
Lands, etc., on account of naval public works construction fund	1, 860. 38	250. 00	250. 00
Lands, etc., on account of military post construction fund	852, 588. 65	298, 400. 00	833, 800. 00
Office material, etc. (General Supply Committee)	13, 033. 15	15, 000. 00	15, 000. 00
Coos Bay Wagon-Road grant fund	71, 581. 30	60, 000. 00	60, 000. 00
Oregon and California land-grant fund	166, 667. 01	200, 000. 00	200, 000. 00
Ordnance material (war)	36, 650. 84	35, 000. 00	35, 000. 00
War supplies	791, 105. 63	615, 900. 00	340, 000. 00
Funds deposited for construction loans under sec. 11, merchant marine act, 1920	1, 839, 849. 92	2, 000, 000. 00	2, 000, 000. 00
Other	16, 211. 49	21, 900. 00	21, 900. 00
Total sales of Government property	4, 345, 901. 31	3, 598, 715. 00	9, 762, 317. 00
Total nonrevenue receipts, exclusive of trust funds	21, 950, 990. 28	100, 170, 181. 00	147, 743, 682. 00
Total general and special fund receipts	2, 005, 469, 131. 17	2, 467, 886, 143. 00	2, 791, 769, 188. 00
Adjustment between cash and warrant distribution	256, 305. 97		
Total general and special fund receipts, on basis of daily Treasury statement (unrevised)	2, 005, 725, 437. 14	2, 467, 886, 143. 00	2, 791, 769, 188. 00

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
TRUST FUNDS			
Nonrevenue receipts—Continued			
Miscellaneous—Continued			
Government life insurance fund	$72, 003, 100. 54	$71, 390, 000. 00	$70, 890, 000. 00
Adjusted service certificate fund—Interest on investments	(4)	3, 391, 000. 00	2, 003, 000. 00
Canal Zone retirement fund—Contributions	(4)	450, 000. 00	450, 000. 00
Interest on investments	(4)	85, 000. 00	105, 000. 00
Civil-service retirement fund—Contributions	(4)	28, 870, 000. 00	29, 700, 000. 00
Interest on investments	(4)	9, 880, 000. 00	10, 900, 000. 00
Foreign Service retirement fund—Contributions	(4)	175, 000. 00	170, 000. 00
Interest on investments	(4)	85, 000. 00	102, 300. 00
Deposits, general post funds, national homes	370, 996. 45	200, 000. 00	225, 000. 00
Pension money, St. Elizabeths Hospital	99, 205. 68	85, 000. 00	100, 000. 00
Personal funds of patients, St. Elizabeths Hospital	152, 221. 87	170, 000. 00	160, 000. 00
Relief and rehabilitation, and interest on investments, Employees' Compensation Commission	31, 919. 51	30, 000. 00	30, 000. 00
Deposits of commissary funds, Federal prisons	139, 129. 88	360, 000. 00	300, 000. 00
Deposits of funds of Federal prisoners	702, 376. 24	400, 000. 00	400, 000. 00
Pay of the Navy and Marine Corps, deposit funds	206, 615. 59	200, 000. 00	190, 000. 00
Navy pension fund, principal	2, 016. 07	100. 00	100. 00
Pay of the Army, deposit fund	963, 840. 37	900, 000. 00	1, 000, 000. 00
Soldiers' Home permanent fund	398, 275. 00	339, 000. 00	345, 000. 00
Proceeds from estates of deceased soldiers	46, 372. 08	45, 000. 00	45, 000. 00
Deposits of unclaimed moneys of individuals whose whereabouts are unknown	13, 062. 67	7, 700. 00	7, 700. 00
Indian moneys—			
Proceeds of labor, act June 13, 1930	894, 990. 90	1, 200, 000. 00	1, 500, 000. 00
Proceeds of labor, agencies, schools, etc	173, 580. 92		
Oil and gas leases, etc., Osage Reservation, Okla	1, 573, 517. 46	1, 700, 000. 00	1, 900, 000. 00
Proceeds of sales and leases of Indian lands, etc	447, 923. 79	500, 000. 00	600, 000. 00
Other	55. 86		
Miscellaneous trust funds	45, 279. 27	44, 850. 00	36, 925. 00
Funds to pay matured obligations of the District of Columbia	110, 383. 95		
District of Columbia	36, 893, 540. 36	35, 862, 900. 00	36, 233, 500. 00
Total trust fund receipts	115, 268, 404. 46	156, 370, 550. 00	157, 393, 525. 00
Adjustment between cash and warrant distribution	234, 164. 45		
Total trust fund receipts, on basis of daily Treasury statement (unrevised)	115, 502, 568. 91	156, 370, 550. 00	157, 393, 525. 00
Total ordinary receipts, exclusive of postal revenues	2, 121, 228, 006. 05	2, 624, 256, 693. 00	2, 949, 162, 713. 00
Summary of general, special, and trust funds—			
Customs (excluding tonnage tax)	327, 754, 969. 12	290, 000, 000. 00	320, 000, 000. 00
Internal revenue	1, 561, 006, 334. 38	1, 760, 000, 000. 00	1, 991, 000, 000. 00
Miscellaneous receipts	232, 466, 702. 55	574, 256, 693. 00	638, 162, 713. 00
Total ordinary receipts	2, 121, 228, 006. 05	2, 624, 256, 693. 00	2, 949, 162, 713. 00

[4] Receipts on this account for the fiscal year 1932 were credited against expenditures.

TABLE 17.—*Actual receipts for the fiscal year 1932 and estimated receipts for the fiscal years 1933 and 1934, by sources*—Continued

SUMMARY OF RECEIPTS CLASSIFIED BY DEPARTMENTS AND ESTABLISHMENTS

Ordinary receipts	Actual, 1932, on basis of daily Treasury statements (unrevised)	Estimated, 1933	Estimated, 1934
Legislative establishment	$1,147,481.98	$1,032,300.00	$964,600.00
Executive and independent offices	[5] 83,774,341.89	125,977,528.00	126,340,282.00
Department of Agriculture	22,815,780.76	26,062,930.00	14,936,530.00
Department of Commerce	[6] 6,640,086.66	6,930,010.00	7,037,360.00
Department of the Interior	[7] 13,832,923.16	15,213,029.00	17,600,116.00
Department of Justice	7,699,677.59	7,921,910.00	7,855,810.00
Department of Labor [8]	5,347,360.77	4,171,125.00	4,236,125.00
Navy Department	3,244,801.08	3,065,365.00	3,009,715.00
Post Office Department	33,096.94	19,000.00	19,000.00
Department of State	4,814,276.44	4,696,800.00	4,737,100.00
Treasury Department [9]	1,902,759,379.74	2,360,337,534.00	2,691,426,940.00
War Department	[10] 9,218,905.94	10,392,920.00	13,148,635.00
Panama Canal	22,418,911.57	22,573,342.00	21,617,000.00
District of Columbia	36,960,511.11	35,862,900.00	36,233,500.00
	2,120,737,535.63	2,624,256,693.00	2,949,162,713.00
Adjustment between cash and warrant distribution	490,470.42		
Total ordinary receipts, on basis of daily Treasury statement (unrevised) exclusive of postal revenues	2,121,228,006.05	2,624,256,693.00	2,949,162,713.00

[5] Exclusive of Housing Corporation which is included under the Department of Labor, and includes $65.30, receipts under the Federal Radio Commission, Department of Commerce.
[6] Exclusive of $65.30 stated under Federal Radio Commission, independent offices.
[7] Includes $114,918.31, "Funds contributed for roads, bridges, and related works, Alaska," heretofore stated under War Department.
[8] Includes Housing Corporation.
[9] Includes customs and internal revenue receipts on cash basis.
[10] Exclusive of $114,918.31 referred to in note 7.

TABLE 18.—*Appropriations for 1933 compared with estimates of appropriations for 1934, by organization units*

[On basis of the latest information received from the Bureau of the Budget]

Organization unit	1933 appropriations, including revised permanent annual	1934 estimates, including permanent annual	Increase (+) and decrease (−). 1934 estimates over 1933 appropriations
Legislative establishment	$18,822,141.00	$21,088,928.00	+$2,266,787.00
Executive Office	392,000.00	378,498.00	−13,502.00
Independent offices:			
American Battle Monuments Commission	275,000.00	143,322.00	−131,678.00
Arlington Memorial Bridge Commission	340,000.00	294,675.00	−45,325.00
Board of Mediation	152,135.00	132,483.00	−19,652.00
Board of Tax Appeals	560,000.00	556,442.00	−3,558.00
Bureau of Efficiency	159,500.00	146,298.00	−13,202.00
Chicago World's Fair Centennial Commission	1,000,000.00		−1,000,000.0
Civil Service Commission	[1] 1,457,486.00	1,374,470.00	−83,016.00
Commission of Fine Arts	7,800.00	9,258.00	+1,458.00
Employees' Compensation Commission	4,910,000.00	4,943,800.00	+33,800.00
Federal Board for Vocational Education	9,514,300.00	9,512,743.00	−1,557.00
Federal Farm Board	40,000,000.00		−40,000,000.00
Federal Home Loan Bank Board	250,000.00	322,000.00	+72,000.00
Federal Oil Conservation Board	10,000.00	11,252.00	+1,252.00
Federal Power Commission	326,750.00	317,123.00	−9,627.00
Federal Radio Commission	[2] 872,000.00	780,427.00	−91,573.00
Federal Reserve Board	1,692,800.00	1,731,343.00	+38,543.00
Federal Trade Commission	1,466,500.00	1,109,550.00	−356,950.00
General Accounting Office	4,262,620.00	3,918,000.00	−344,620.00
George Rogers Clark Sesquicentennial Commission	400,000.00	98,158.00	−301,842.00
George Washington Bicentennial Commission	200,000.00		−200,000.00
Interstate Commerce Commission	8,048,560.00	7,637,639.00	−410,921.00
Mount Rushmore National Memorial Commission	25,000.00		−25,000.00
National Advisory Committee for Aeronautics	920,000.00	866,030.00	−53,970.00
Public Buildings Commission	100,000.00	91,975.00	−8,025.00
Public Buildings and Public Parks of the National Capital	1,025,933.00	4,184,422.00	+158,489.00
Smithsonian Institution	1,134,829.00	1,104,692.00	−30,137.00
U. S. Geographic Board	9,678.00	9,778.00	+100.00
U. S. Shipping Board	360,000.00	3,202,744.00	+2,842,744.00
U. S. Supreme Court Building Commission	1,000,000.00	3,240,000.00	+2,240,000.00
U. S. Tariff Commission	1,020,000.00	915,098.00	−74,902.00
Veterans' Administration—			
Army and Navy pensions	225,850,000.00	219,930,000.00	−5,920,000.00
Salaries and expenses	115,000,000.00	110,538,514.00	−4,461,486.00
Military and naval insurance	117,000,000.00	134,000,000.00	+17,000,000.00
Civil service retirement and disability appropriated fund	20,850,000.00	20,850,000.00	
Government life insurance fund	71,665,000.00	70,890,000.00	−775,000.00
Adjusted service certificate appropriated fund	100,000,000.00	100,000,000.00	
Military and naval compensation	356,250,000.00	396,048,200.00	+39,798,200.00
All other	13,849,000.00	8,720,120.00	−5,128,880.00
District of Columbia	[3] 44,644,362.00	39,743,270.00	−4,901,092.00
Department of Agriculture	317,883,236.00	118,814,909.00	−199,068,327.00
Department of Commerce	44,784,408.00	37,934,323.00	−6,850,085.00
Department of the Interior:			
Civil	[4] 51,157,603.00	33,157,410.00	−18,000,193.00
Indian Service	30,021,141.35	25,033,519.00	−4,987,622.35
Department of Justice	45,996,000.00	45,082,487.00	−913,513.00
Department of Labor	12,924,770.00	13,393,345.00	+468,575.00
Navy Department	328,906,141.00	309,647,536.00	−19,258,605.00
Post Office Department, postal deficiency, payable from Treasury	155,000,000.00	97,000,000.00	−58,000,000.00
State Department	13,694,792.89	13,008,626.60	−686,166.29
Treasury Department:			
Collecting the revenue	22,000,000.00	20,092,400.00	−1,907,600.00
Refunds, drawbacks, etc., of revenue	21,482,600.00	16,214,800.00	−5,267,800.00
Public buildings, construction, operating expenses, repairs, equipment, etc	232,709,050.00	92,859,025.00	−139,850,025.00
Other items under Treasury Department	168,149,825.00	160,695,332.00	−7,454,493.00

[1] Includes $145,116 for Personnel Classification Board transferred to Civil Service Commission, economy act, June 30, 1932, 47 Stat., 416.
[2] Includes $490,000 for enforcement of wireless communication laws transferred from Department of Commerce to Radio Division under Independent Offices, economy act, June 30, 1932, 47 Stat., 417.
[3] Appropriation for "Freedmen's Hospital, 1933," included in Interior Department appropriation act for the fiscal year 1933, $293,480, one-half of which, $146,740, payable from the revenues of the District of Columbia, is included.
[4] Includes appropriation of $146,740 for "Freedmen's Hospital, 1933," referred to in note 3.

TABLE 18.—*Appropriations for 1933 compared with estimates of appropriations for 1934, by organization units*—Continued

Organization unit	1933 appropriations, including revised permanent annual	1934 estimates, including permanent annual	Increase (+) and decrease (−), 1934 estimates over 1933 appropriations
War Department (includes Panama Canal)	$468,604,743.00	$365,009,585.00	−$103,595,158.00
Interest on public debt	640,000,000.00	725,000,000.00	+85,000,000.00
Sinking fund	426,489,600.00	439,658,221.00	+13,168,621.00
Other public debt retirements chargeable against ordinary receipts	1,000,000.00	94,412,100.00	+93,412,100.00
Total, excluding Postal Service payable from postal revenues	4,149,627,304.24	3,775,884,870.60	−373,742,433.64
Post Office Department payable from postal revenues	651,104,675.00	627,293,161.00	−23,811,514.00
Grand total	4,800,731,979.24	4,403,178,031.60	−397,553,947.64

PUBLIC DEBT

Public debt outstanding

TABLE 19.—*Public debt outstanding June 30, 1932, by issues*

[On basis of daily Treasury statements (revised), see p. 337]

Detail	Amount issued	Amount retired	Amount outstanding		
INTEREST-BEARING DEBT					
Bonds:					
2 per cent consols of 1930	$646, 250, 150. 00	$46, 526, 100. 00		$599, 724, 050. 00	
2 per cent Panama Canal loan of 1916–1936	54, 631, 980. 00	5, 677, 800. 00		48, 954, 180. 00	
2 per cent Panama Canal loan of 1918–1938	30, 000, 000. 00	4, 052, 600. 00		25, 947, 400. 00	
3 per cent Panama Canal loan of 1961	50, 000, 000. 00	200, 000. 00		49, 800, 000. 00	
3 per cent conversion bonds of 1946–1947	28, 894, 500. 00			28, 894, 500. 00	
2½ per cent postal savings bonds (third to forty-second series)	36, 247, 260. 00			36, 247, 260. 00	
					$789, 567, 390. 00
First Liberty loan of 1932–1947	1, 989, 455, 550. 00	56, 241, 450. 00			
3½ per cent			$1, 392, 228, 350. 00		
Converted 4 per cent			5, 002, 450. 00		
Converted 4¼ per cent			532, 491, 150. 00		
Second converted 4¼ per cent			3, 492, 150. 00		
				1, 933, 214, 100. 00	
Fourth Liberty loan 4¼ per cent of 1933–1938	6, 964, 581, 100. 00	696, 480, 650. 00		6, 268, 100, 450. 00	
					8, 201, 314, 550. 00
Treasury bonds—					
4¼ per cent of 1947–1952	763, 962, 300. 00	4, 979, 000. 00		758, 983, 300. 00	
4 per cent of 1944–1954	1, 047, 088, 500. 00	10, 254, 000. 00		1, 036, 834, 500. 00	
3¾ per cent of 1946–1956	494, 898, 100. 00	5, 811, 000. 00		489, 087, 100. 00	
3⅜ per cent of 1943–1947	494, 854, 750. 00	40, 719, 550. 00		454, 135, 200. 00	
3⅜ per cent of 1940–1943	359, 042, 950. 00	6, 048, 500. 00		352, 994, 450. 00	
3⅜ per cent of 1941–1943	594, 230, 050. 00	49, 313, 000. 00		544, 917, 050. 00	
3⅛ per cent of 1946–1949	821, 406, 000. 00	3, 000. 00		821, 403, 000. 00	
3 per cent of 1951–1955	800, 424, 000. 00	2, 500. 00		800, 421, 500. 00	
					5, 258, 776, 100. 00
Treasury notes:					
3¼ per cent, series 1932	600, 446, 200. 00		600, 446, 200. 00		
3 per cent, series A–1934	244, 234, 600. 00		214, 234, 600. 00		
3 per cent, series A–1935	416, 602, 800. 00		416, 602, 800. 00		
				1, 261, 283, 600. 00	
4 per cent civil-service retirement fund, series 1933 to 1937	200, 300, 000. 00			200, 300, 000. 00	
4 per cent Foreign Service retirement fund, series 1933 to 1937	1, 993, 000. 00	387, 000. 00		1, 606, 000. 00	
4 per cent Canal Zone retirement fund, series 1936 and 1937	2, 070, 000. 00	6, 000. 00		2, 064, 000. 00	
					1, 465, 253, 600. 00

TABLE 19.—*Public debt outstanding June 30, 1932, by issues*—Continued

Detail	Amount issued	Amount retired	Amount outstanding		
INTEREST-BEARING DEBT—continued					
Certificates of indebtedness:					
Tax—					
1⅛ per cent, series TS-1932	$314, 279, 500. 00		$314, 279, 500. 00		
3 per cent, series TS 2-1932	398, 225, 000. 00		398, 225, 000. 00		
3⅛ per cent, series TO-1932	333, 492, 500. 00		333, 492, 500. 00		
3¾ per cent, series TM-1933	660, 715, 500. 00		660, 715, 500. 00		
2 per cent, first series maturing Mar. 15, 1933	34, 959, 550. 00	$998, 650. 00	33, 960, 900. 00		
1½ per cent, series TJ-1933	373, 856, 500. 00		373, 856, 500. 00		
				$2, 114, 529, 900. 00	
Loan—					
3⅛ per cent, series A-1932	227, 631, 000. 00		227, 631, 000. 00		
3¾ per cent, series A-1933	144, 372, 000. 00		144, 372, 000. 00		
2 per cent, series B-1933	239, 197, 000. 00		239, 197, 000. 00		
				611, 200, 000. 00	
Special—					
4 per cent adjusted service certificate fund, series 1933	193, 300, 000. 00	88, 300, 000. 00		105, 000, 000. 00	
					$2, 830, 729, 900. 00
Treasury bills (maturity value), series maturing:					
July 13, 1932	76, 200, 000. 00			76, 200, 000. 00	
July 20, 1932	75, 600, 000. 00			75, 600, 000. 00	
July 27, 1932	51, 550, 000. 00			51, 550, 000. 00	
Aug. 10, 1932	76, 744, 000. 00			76, 744, 000. 00	
Aug. 17, 1932	75, 000, 000. 00			75, 000, 000. 00	
Aug. 24, 1932	60, 050, 000. 00			60, 050, 000. 00	
Aug. 31, 1932	100, 022, 000. 00			100, 022, 000. 00	
Sept. 28, 1932	100, 466, 000. 00			100, 466, 000. 00	
					615, 632, 000. 00
Total interest-bearing debt outstanding					19, 161, 273, 540. 00
MATURED DEBT ON WHICH INTEREST HAS CEASED (PAYABLE ON PRESENTATION)					
Old debt matured, issued prior to Apr. 1, 1917 [1]				1, 591, 460. 26	
4 per cent second Liberty loan of 1927-1942				864, 550. 00	
4¼ per cent second Liberty loan of 1927-1942				2, 216, 300. 00	
4¼ per cent third Liberty loan of 1928				5, 067, 250. 00	
3¾ per cent Victory notes of 1922-1923				19, 200. 00	
4¾ per cent Victory notes of 1922-1923				1, 096, 500. 00	
Treasury notes at various interest rates				9, 507, 900. 00	
Certificates of indebtedness, at various interest rates				25, 091, 400. 00	
Treasury bills				13, 883, 000. 00	
Treasury savings certificates				749, 125. 00	
Total outstanding matured debt on which interest has ceased					60, 086, 685. 26

DEBT BEARING NO INTEREST (PAYABLE ON PRESENTATION)[1]					
Obligations required to be reissued when redeemed:					
United States notes			346,681,016.00		
Less gold reserve			156,039,088.03	190,641,927.97	
Obligations that will be retired on presentation:					
Old demand notes				53,012.50	
National bank notes and Federal reserve bank notes assumed by the United States on deposit of lawful money for their retirement				69,601,467.50	
Fractional currency				1,987,927.57	
Thrift and Treasury savings stamps, unclassified sales, etc				3,365,204.83	
Total outstanding debt bearing no interest					265,649,540.37
Total gross debt[2]					19,487,009,765.63
Matured interest obligations, etc.:					
Matured interest obligations outstanding				34,608,351.36	
Discount accrued on Treasury (war) savings certificates, matured series				4,405,420.00	
Settlement warrant checks outstanding				1,444,607.54	
Disbursing officers' checks outstanding				89,268,838.74	129,727,217.64
					19,616,736,983.27
Balance held by the Treasurer of the United States as per daily Treasury statement for June 30, 1932				417,197,178.17	
Deduct: Net excess of disbursements over receipts in reports subsequently received				25,992,049.15	391,205,129.02
Net debt, including matured interest obligations, etc.[3]					19,225,531,854.25

1 For detailed information and amounts outstanding June 30, 1929, see Table 24 in annual report for 1929, p. 156. For amounts retired subsequent to 1929, see Table 27, p. 417, of this report and corresponding tables in reports for 1930 and 1931.

2 The total gross debt June 30, 1932, on the basis of daily Treasury statements (unrevised) was $19,487,002,444.13 and the net amount of public debt redemptions and receipts in transit, etc., was $7,321.50.

3 No deduction is made on account of obligations of foreign governments or other investments.

TABLE 20.—*Description of the public debt issues outstanding June 30, 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest (1)	Interest payment dates	Average price received	Amount authorized	Amount issued	Amount outstanding
INTEREST-BEARING DEBT								
CONSOLS OF 1930			Per cent					
Act of Mar. 14, 1900 (31 Stats. 48)	Apr. 1, 1900	After Apr. 1, 1930	2	Jan., Apr., July, and Oct. 1.	$100.5116	$839, 146, 340. 00	$646, 250, 150. 00	$599, 724, 050. 00
PANAMA CANAL LOAN								
Acts of June 28, 1902 (32 Stats. 481) and Dec. 21, 1905 (34 Stats. 5).	Aug. 1, 1906	After Aug. 1, 1916; on Aug. 1, 1936.	2	Feb., May, Aug., and Nov. 1.	103. 513	130, 000, 000. 00	54, 631, 980. 00	48, 954, 180. 00
	Nov. 1, 1908	After Nov. 1, 1918; on Nov. 1, 1938.	2	do	102. 436		30, 000, 000. 00	25, 947, 400. 00
Acts of Aug. 5, 1909 (36 Stats. 117); Feb. 4, 1910 (36 Stats. 192); and Mar. 2, 1911 (36 Stats. 1013).	June 1, 1911	On June 1, 1961	3	Mar., June, Sept., and Dec. 1.	102. 582	290, 569, 000. 00	50, 000, 000. 00	49, 800, 000. 00
POSTAL SAVINGS BONDS								
Act of June 25, 1910 (36 Stats. 817)	Jan. 1, July 1, 1912-1932.	On and after one year. 20 years from issue.	2½	Jan. and July 1	Par	Indefinite.	36, 247, 260. 00	36, 247, 260. 00
CONVERSION BONDS								
Act of Dec. 23, 1913 (38 Stats. 269)	Jan. 1, 1916 and 1917	30 years from issue.	3	Jan., Apr., July, and Oct. 1.	Exchange at par.		28, 894, 500. 00	28, 894, 500. 00
FIRST LIBERTY LOAN								
First 3½'s, act of Apr. 24, 1917 (40 Stats. 35)	June 15, 1917	On and after June 15, 1932; on June 15, 1947.	3½	June and Dec. 15	Par	5, 538, 945, 460. 00	1, 989, 455, 550. 00	1, 392, 228, 350. 00
First 4's, acts of Apr. 24, 1917 (40 Stats. 35), Sept. 24, 1917 (40 Stats. 292), as amended.	Nov. 15, 1917	do	4		Conversion at par.	1, 989, 455, 550. 00	568, 318, 450. 00	5, 002, 450. 00
First 4¼'s, acts of Apr. 24, 1917 (40 Stats. 35), Sept. 24, 1917 (40 Stats. 292), as amended.	May 9, 1918	do	4¼		do	1, 989, 455, 550. 00	555, 212, 300. 00	532, 491, 150. 00
First second 4¼'s, acts of Apr. 24, 1917 (40 Stats. 35), Sept. 24, 1917 (40 Stats. 292), as amended.	Oct. 24, 1918	do	4¼		do	1, 413, 566, 550. 00	3, 492, 150. 00	3, 492, 150. 00
FOURTH LIBERTY LOAN								
Act of Sept. 24, 1917 (40 Stats. 288), as amended.	do	On and after Oct. 15, 1933; on Oct. 15, 1938.	4¼	Apr. and Oct. 15	Par	12, 016, 484, 950. 00	6, 964, 581, 100. 00	6, 268, 100, 450. 00

TREASURY BONDS								
Act of Sept. 24, 1917 (40 Stats. 288), as amended:								
4¼ per cent of 1947–1952	Oct. 16, 1922	On and after Oct. 15, 1947; on Oct. 15, 1952.	4¼	do	Par	511,864,000.00	511,864,000.00	758,983,300.00
					Exchange at par.	252,098,300.00	252,098,300.00	
4 per cent of 1944–1954	Dec. 15, 1924	On and after Dec. 15, 1944; on Dec. 15, 1954.	4	June and Dec. 15	Par	224,513,500.00	224,513,500.00	1,036,834,500.00
					Exchange at par.	532,420,300.00	532,420,300.00	
					$100.50	290,154,700.00	290,154,700.00	
3¾ pe rcent of 1946–1956	Mar. 15, 1926	On and after Mar. 15, 1946; on Mar. 15, 1956.	3¾	Mar. and Sept. 15	$100.50	494,898,100.00	494,898,100.00	489,087,100.00
3⅜ per cent of 1943–1947	June 15, 1927	On and after June 15, 1943; on June 15, 1947.	3⅜	June and Dec. 15	$100.50	249,598,300.00	249,598,300.00	454,135,200.00
					Exchange at par.	245,256,450.00	245,256,450.00	
3⅜ per cent of 1940–1943	July 16, 1928	On and after June 15, 1940; on June 15, 1943.	3⅜	do	Par	251,521,400.00	251,521,400.00	352,994,450.00
					Exchange at par.	107,521,550.00	107,521,550.00	
3⅜ per cent of 1941–1943	Mar. 16, 1931	On and after Mar. 15, 1941; on Mar. 15, 1943.	3⅜	Mar. and Sept. 15	Exchange at par.	594,230,050.00	594,230,050.00	544,917,050.00
3⅛ per cent of 1946–1949	June 15, 1931	On and after June 15, 1946; on June 15, 1949.	3⅛	June and Dec. 15	Par	821,406,000.00	821,406,000.00	821,403,000.00
3 per cent of 1951–1955	Sept. 15, 1931	On and after Sept. 15, 1951; on Sept. 15, 1955.	3	Mar. and Sept. 15	do	800,424,000.00	800,424,000.00	800,421,500.00
TREASURY NOTES								
Act of Sept. 24, 1917 (40 Stats. 288), as amended:								
Series 1932	Dec. 15, 1931	On Dec. 15, 1932	3¼	June and Dec. 15	Par	Not exceeding $7,500,000,000 outstanding at any one time.	600,446,200.00	600,446,200.00
Series A–1934	May 2, 1932	On May 2, 1934	3	Nov. and May 2	do		244,234,600.00	244,234,600.00
Series A–1935	June 15, 1932	On June 15, 1935	3	June and Dec. 15	do		416,602,800.00	416,602,800.00
Civil-service retirement fund:								
Series 1933	Various dates from June 30, 1928.	After 1 year from date of issue; on June 30, 1933.	4	June 30	do		47,800,000.00	47,800,000.00
Series 1934	Various dates from July 1, 1929.	After 1 year from date of issue; on June 30, 1934.	4	do	do		35,800,000.00	35,800,000.00
Series 1935	Various dates from June 30, 1930.	After 1 year from date of issue; on June 30, 1935.	4	do	do		32,400,000.00	32,400,000.00
Series 1936	Various dates from June 30, 1931.	After 1 year from date of issue; on June 30, 1936.	4	do	do		64,200,000.00	64,200,000.00

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.

TABLE 20.—*Description of the public debt issues outstanding June 30, 1932*—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest (1)	Interest payment dates	Average price received	Amount authorized	Amount issued	Amount outstanding
INTEREST-BEARING DEBT—Continued								
TREASURY NOTES—continued								
Civil-service retirement fund—Continued.			*Per cent*					
Series 1937	June 30, 1932.	After 1 year from date of issue; on June 30, 1937.	4	June 30	Par	Not exceeding $7,500,000,000 outstanding at any one time.	$20,100,000.00	$20,100,000.00
Foreign Service retirement fund:								
Series 1933	Various dates from June 30, 1928.	After 1 year from date of issue; on June 30, 1933.	4	do	do		529,000.00	142,000.00
Series 1934	Various dates from July 1, 1929.	After 1 year from date of issue; on June 30, 1934.	4	do	do		454,000.00	454,000.00
Series 1935	Various dates from June 30, 1930.	After 1 year from date of issue; on June 30, 1935.	4	do	do		509,000.00	509,000.00
Series 1936	Various dates from June 30, 1931.	After 1 year from date of issue; on June 30, 1936.	4	do	do		440,000.00	440,000.00
Series 1937	June 30, 1932	After 1 year from date of issue; on June 30, 1937.	4	do	do		61,000.00	61,000.00
Canal Zone retirement fund:								
Series 1936	Various dates from Aug. 6, 1931.	After 1 year from date of issue; on June 30, 1936.	4	do	do		2,004,000.00	1,998,000.00
Series 1937	June 30, 1932.	After 1 year from date of issue; on June 30, 1937.	4	do	do		66,000.00	66,000.00
CERTIFICATES OF INDEBTEDNESS								
Act of Sept. 24, 1917 (40 Stats. 288), as amended:								
Tax—								
Series TS-1932	Sept. 15, 1931	On Sept 15, 1932	1⅛	Mar. and Sept. 15	do		314,279,500.00	314,279,500.00
Series TS 2 1932	Dec. 15, 1931	do	3	do	do		398,225,000.00	398,225,000.00
Series TO-1932	Mar. 15, 1932	On Oct. 15, 1932	3⅛	Oct. 15	do		333,492,500.00	333,492,500.00
Series TM-1933	do	On Mar. 15, 1933	3¾	Sept. and Mar. 15	do		660,715,500.00	660,715,500.00
2% First Series maturing Mar. 15, 1933.	do	On 60 days' advance notice; on Mar. 15, 1933.	2	do	do		34,959,550.00	33,960,900.00
Series TJ-1933	June 15, 1932	On June 15, 1933	1½	Dec. and June 15	do		373,856,500.00	373,856,500.00

Loan—								
Series A-1932	Feb. 1, 1932	On Aug. 1, 1932	3⅛	Aug. 1	do	Not exceeding $10,000,000,000 outstanding at any one time.	227,631,000.00	227,631,000.00
Series A-1933	do	On Feb. 1, 1933	3¾	Aug. and Feb. 1	do		144,372,000.00	144,372,000.00
Series B-1933	May 2, 1932	On May 2, 1933	2	Nov. and May 2	do		239,197,000.00	239,197,000.00
Special—								
Adjusted service certificate fund, series 1933.	Jan. 1, 1932	On demand; on Jan. 1, 1933.	4	Jan. 1	do		193,300,000.00	105,000,000.00
TREASURY BILLS [1]								
Act of Sept. 24, 1917 (40 Stats. 288), as amended:								
Series maturing July 13, 1932	Apr. 13, 1932	On July 13, 1932	1.049	July 13, 1932	$99.735		76,200,000.00	76,200,000.00
Series maturing July 20, 1932	Apr. 20, 1932	On July 20, 1932	.621	July 20, 1932	99.843		75,600,000.00	75,600,000.00
Series maturing July 27, 1932	Apr. 27, 1932	On July 27, 1932	.630	July 27, 1932	99.841		51,550,000.00	51,550,000.00
Series maturing Aug. 10, 1932	May 11, 1932	On Aug. 10, 1932	.676	Aug. 10, 1932	99.829		76,744,000.00	76,744,000.00
Series maturing Aug. 17, 1932	May 18, 1932	On Aug. 17, 1932	.425	Aug. 17, 1932	99.893		75,000,000.00	75,000,000.00
Series maturing Aug. 24, 1932	May 25, 1932	On Aug. 24, 1932	.289	Aug. 24, 1932	99.927		60,050,000.00	60,050,000.00
Series maturing Aug. 31, 1932	June 1, 1932	On Aug. 31, 1932	.321	Aug. 31, 1932	99.919		100,022,000.00	100,022,000.00
Series maturing Sept. 28, 1932	June 29, 1932	On Sept. 28, 1932	.408	Sept. 28, 1932	99.897		100,466,000.00	100,466,000.00
Total interest-bearing debt								19,161,273,540.00
MATURED DEBT ON WHICH INTEREST HAS CEASED								
OLD DEBT [2]								
Matured prior to Apr. 6, 1917								1,265,610.26
LOAN OF 1908–1918								
Act of June 13, 1898 (30 Stats. 467)	1898	On Aug. 1, 1918	3				198,792,660.00	158,840.00
LOAN OF 1925								
Acts of July 14, 1870 (16 Stats. 272), as amended; Jan. 14, 1875 (18 Stats. 296).	Feb. 1, 1895	After Feb. 1, 1925.	4				162,315,400.00	162,850.00
POSTAL SAVINGS BONDS								
Act of June 25, 1910 (36 Stats. 817)	Jan. 1, July 1, 1911–1912.	20 years from date of issue.	2½				459,280.00	4,160.00
SECOND LIBERTY LOAN								
Second 4's, act of Sept. 24, 1917 (40 Stats. 288)	Nov. 15, 1917	Called Nov. 15, 1927.	4				3,807,865,000.00	864,550.00
Second 4¼'s, act of Sept. 24, 1917 (40 Stats. 288), as amended.	May 9, 1918	do	4¼				3,707,936,200.00	2,216,300.00

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
[2] For detailed information and amounts outstanding June 30, 1929, see Table 24 in annual report for 1929, p. 456. For amounts retired subsequent to 1929, see Table 27, p. 417, of this report and corresponding tables in reports for 1930 and 1931.

TABLE 20.—*Description of the public debt issues outstanding June 30, 1932*—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Rate of interest (1)	Interest payment dates	Average price received	Amount authorized	Amount issued	Amount outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued								
THIRD LIBERTY LOAN			*Per cent*					
Act of Sept. 24, 1917 (40 Stats. 288), as amended.	May 9, 1918	On Sept. 15, 1928	$4\frac{1}{4}$				$1,175,650,050.00	$5,067,250.00
VICTORY NOTES								
Victory notes $3\frac{3}{4}$	May 20, 1919	Called June 15, 1922.	$3\frac{3}{4}$					19,200.00
Victory notes $4\frac{3}{4}$	do	Symbols A to F called Dec. 15, 1922; balance of loan matured May 20, 1923.	$4\frac{3}{4}$					1,096,500.00
TREASURY NOTES								
Series A-1921	June 15, 1921	On June 15, 1924	$5\frac{3}{4}$				311,191,600.00	24,200.00
Series B-1924	Sept. 15, 1921	On Sept. 15, 1924	$5\frac{1}{2}$				390,706,100.00	13,000.00
Series A-1925	Feb. 1, 1922	On Mar. 15, 1925	$4\frac{3}{4}$				601,599,500.00	37,200.00
Series A-1926	Mar. 15, 1922	On Mar. 15, 1926	$4\frac{3}{4}$				617,769,700.00	7,800.00
Series B-1925	June 15, 1922	On Dec. 15, 1925	$4\frac{3}{8}$				335,141,300.00	43,100.00
Series B-1926	Aug. 1, 1922	On Sept. 15, 1926	$4\frac{1}{4}$				486,940,100.00	15,000.00
Series C-1925	Dec. 15, 1922	On June 15, 1925	$4\frac{1}{2}$				469,213,200.00	30,700.00
Series A-1927	Jan. 15, 1923	On Dec. 15, 1927	$4\frac{1}{2}$				366,981,500.00	26,700.00
Series B-1927	May 15, 1923	On Mar. 15, 1927	$4\frac{3}{4}$				668,201,400.00	77,300.00
Series A-1930-1932	Mar. 15, 1927	Called Mar. 15, 1931.	$3\frac{1}{2}$				1,360,456,450.00	759,750.00
Series B-1930-1932	Sept. 15, 1927	do	$3\frac{1}{2}$				619,495,700.00	972,950.00
Series C-1930-1932	Jan. 16, 1928	Called Dec. 15, 1931.	$3\frac{1}{2}$				607,399,650.00	7,500,200.00
CERTIFICATES OF INDEBTEDNESS								
Certificates of indebtedness	Various	Various	Various					25,091,400.00
TREASURY BILLS [1]								
Treasury bills	Various	Various	Various					13,883,000.00

TREASURY SAVINGS CERTIFICATES								
Issue of Dec. 15, 1921	Dec. 15, 1921	5 years from date of issue.	3½–4½				138, 288, 376. 20	100, 450. 00
Issue of Sept. 30, 1922	Sept. 30, 1922	do	3 –4				205, 662, 045. 20	380, 475. 00
Issue of Dec. 1, 1923	Dec. 1, 1923	do	3½–4½				159, 511, 791. 25	268, 200. 00
Total matured debt on which interest has ceased.								60, 086, 685. 26

Detail	Authorized to be outstanding at one time	Issues on deposits, including reissues	Authorized to be outstanding at present time	Amount outstanding
NONINTEREST-BEARING DEBT				
OLD DEMAND NOTES				
Acts of July 17, 1861 (12 Stats., 259); Aug. 5, 1861 (12 Stats. 313); Feb. 12, 1862 (12 Stats. 338)	$60, 000, 000. 00	[3] $60, 030, 000. 00		$53, 012. 50
FRACTIONAL CURRENCY				
Acts of July 17, 1862 (12 Stats. 592); Mar. 3, 1863 (12 Stats. 711); June 30, 1864 (13 Stats. 220)	50, 000, 000. 00	[3] 368, 724, 080. 00		[4] 1, 987, 927. 57
LEGAL-TENDER NOTES				
Acts of Feb. 25, 1862 (12 Stats. 345); July 11, 1862 (12 Stats. 532); Mar. 3, 1863 (12 Stats. 710); May 31, 1878 (20 Stats. 87); Mar. 14, 1900 (31 Stats. 45); Mar. 4, 1907 (34 Stats. 1290)	450, 000, 000. 00		$346, 681, 016. 00	346, 681, 016. 00
NATIONAL BANK NOTES (REDEMPTION ACCOUNT)				
The act of July 14, 1890 (26 Stats. 289), provides that balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption, * * * and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debts of the United States bearing no interest	Indefinite.			69, 601, 467. 50
Thrift and Treasury savings stamps, unclassified sales, etc				3, 365, 204. 83
Total noninterest-bearing debt				421, 688, 628. 40
Total debt				19, 643, 048, 853. 66
Less gold reserve				156, 039, 088. 03
Gross debt as shown on statement of the public debt June 30, 1932				19, 487, 009, 765. 63

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
[3] Including reissues.
[4] After deducting amounts officially estimated to have been lost or irrevocably destroyed.

TABLE 21.—*Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1932* [1]

[On basis of daily Treasury statements (revised), see p. 337]

June 30—	Interest-bearing [2]	Matured	Noninterest-bearing [3]	Total gross debt	Gross debt per capita
1853	$59, 642, 412	$162, 249		$59, 804, 661	$2. 36
1854	42, 041, 517	199, 248		42, 243, 765	1. 62
1855	35, 418, 001	170, 498		35, 588, 499	1. 32
1856	31, 805, 180	168, 901		31, 974, 081	1. 15
1857	28, 503, 377	197, 998		28, 701, 375	1. 01
1858	44, 743, 256	170, 168		44, 913, 424	1. 53
1859	58, 333, 156	165, 225		58, 498, 381	1. 93
1860	64, 683, 256	160, 575		64, 843, 831	2. 06
1861	90, 423, 292	159, 125		90, 582, 417	2. 83
1862	365, 356, 045	230, 520	$158, 591, 390	524, 177, 955	16. 03
1863	707, 834, 255	171, 970	411, 767, 456	1, 119, 773, 681	33. 56
1864	1, 360, 026, 914	366, 629	455, 437, 271	1, 815, 830, 814	53. 33
1865	2, 217, 709, 407	2, 129, 425	458, 090, 180	2, 677, 929, 012	77. 07
1866	2, 322, 116, 330	4, 435, 865	429, 211, 734	2, 755, 763, 929	77. 69
1867	2, 238, 954, 794	1, 739, 108	409, 474, 321	2, 650, 168, 223	73. 19
1868	2, 191, 326, 130	1, 246, 334	390, 873, 992	2, 583, 446, 456	69. 87
1869	2, 151, 495, 065	5, 112, 034	388, 503, 491	2, 545, 110, 590	67. 41
1870	2, 035, 881, 095	3, 569, 661	397, 002, 510	2, 436, 453, 269	63. 19
1871	1, 920, 696, 750	1, 948, 902	399, 406, 489	2, 322, 052, 141	58. 70
1872	1, 800, 794, 100	7, 926, 547	401, 270, 191	2, 209, 990, 838	54. 44
1873	1, 696, 483, 950	51, 929, 460	402, 796, 935	2, 151, 210, 345	51. 62
1874	1, 724, 930, 750	3, 216, 340	431, 785, 640	2, 159, 932, 730	50. 47
1875	1, 708, 676, 300	11, 425, 570	436, 174, 779	2, 156, 276, 649	49. 06
1876	1, 696, 685, 450	3, 902, 170	430, 258, 158	2, 130, 845, 778	47. 21
1877	1, 697, 888, 500	16, 648, 610	393, 222, 793	2, 107, 759, 903	45. 47
1878	1, 780, 735, 650	5, 594, 070	373, 088, 595	2, 159, 418, 315	45. 37
1879	1, 887, 716, 110	37, 015, 380	374, 181, 153	2, 298, 912, 643	47. 05
1880	1, 709, 993, 100	7, 621, 205	373, 294, 567	2, 090, 908, 872	41. 69
1881	1, 625, 567, 750	6, 723, 615	386, 994, 363	2, 019, 285, 728	39. 35
1882	1, 449, 810, 400	16, 260, 555	390, 844, 689	1, 856, 915, 644	35. 37
1883	1, 321, 229, 150	7, 831, 165	389, 898, 603	1, 721, 958, 918	32. 07
1884	1, 212, 563, 850	19, 655, 955	393, 087, 639	1, 625, 307, 444	29. 60
1885	1, 182, 150, 950	4, 100, 745	392, 299, 474	1, 578, 551, 169	28. 11
1886	1, 132, 014, 100	9, 704, 195	413, 941, 255	1, 555, 659, 550	27. 10
1887	1, 007, 692, 350	6, 114, 915	451, 678, 029	1, 465, 485, 294	24. 97
1888	936, 522, 500	2, 495, 845	445, 613, 311	1, 384, 631, 656	23. 09
1889	815, 853, 990	1, 911, 235	431, 705, 286	1, 249, 470, 511	20. 39
1890	711, 313, 110	1, 815, 555	409, 267, 919	1, 122, 396, 584	17. 92
1891	610, 529, 120	1, 614, 705	393, 662, 736	1, 005, 806, 561	15. 75
1892	585, 029, 330	2, 785, 875	380, 403, 636	968, 218, 841	14. 88
1893	585, 037, 100	2, 094, 060	374, 300, 606	961, 431, 766	14. 49
1894	635, 041, 890	1, 851, 240	380, 004, 687	1, 016, 897, 817	15. 04
1895	716, 202, 060	1, 721, 590	378, 989, 470	1, 096, 913, 120	15. 91
1896	847, 363, 890	1, 636, 890	373, 728, 570	1, 222, 729, 350	17. 40
1897	847, 365, 130	1, 346, 880	378, 081, 703	1, 226, 793, 713	17. 14
1898	847, 367, 470	1, 262, 680	384, 112, 913	1, 232, 743, 063	16. 90
1899	1, 046, 048, 750	1, 218, 300	389, 433, 654	1, 436, 700, 704	19. 33
1900	1, 023, 478, 860	1, 176, 320	238, 761, 733	1, 263, 416, 913	16. 56
1901	987, 141, 040	1, 415, 620	233, 015, 585	1, 221, 572, 245	15. 71
1902	931, 070, 340	1, 280, 860	245, 680, 157	1, 178, 031, 357	14. 89
1903	914, 541, 410	1, 205, 090	243, 659, 413	1, 159, 405, 913	14. 40
1904	895, 157, 440	1, 970, 920	239, 130, 656	1, 136, 259, 016	13. 88
1905	895, 158, 340	1, 370, 245	235, 828, 510	1, 132, 357, 095	13. 60
1906	895, 159, 140	1, 128, 135	2[illegible]6, 235, 695	1, 142, 522, 970	13. 50
1907	894, 834, 280	1, 086, 815	251, 257, 098	1, 147, 178, 193	13. 33
1908	897, 503, 990	4, 130, 015	276, 056, 398	1, 177, 690, 403	13. 46
1909	913, 317, 490	2, 883, 855	232, 114, 027	1, 148, 315, 372	12. 91
1910	913, 317, 490	2, 124, 895	231, 497, 584	1, 146, 939, 969	12. 69
1911	915, 353, 190	1, 879, 830	236, 751, 917	1, 153, 984, 937	12. 28
1912	963, 776, 770	1, 760, 450	228, 301, 285	1, 193, 838, 505	12. 48
1913	965, 706, 610	1, 659, 550	225, 681, 585	1, 193, 047, 745	12. 26
1914	967, 953, 310	1, 552, 560	218, 729, 530	1, 188, 235, 400	12. 00
1915	969, 759, 090	1, 507, 260	219, 997, 718	1, 191, 264, 068	11. 83
1916	971, 562, 590	1, 473, 100	252, 109, 878	1, 225, 145, 568	11. 96
1917	2, 712, 549, 477	14, 232, 230	248, 836, 878	2, 975, 618, 585	28. 57
1918	11, 985, 882, 436	20, 242, 550	237, 503, 733	12, 243, 628, 719	115. 65
1919	25, 234, 496, 274	11, 109, 370	236, 428, 775	25, 482, 034, 419	240. 09
1920	24, 061, 095, 362	6, 747, 700	230, 075, 350	24, 297, 918, 412	[4] 228. 32
1921	23, 737, 352, 080	10, 939, 620	227, 958, 908	23, 976, 250, 608	[4] 221. 09
1922	22, 711, 035, 587	25, 250, 880	227, 792, 723	22, 964, 079, 190	[4] 208. 97
1923	22, 007, 590, 754	98, 172, 160	243, 924, 844	22, 349, 687, 758	[4] 200. 10
1924	20, 981, 586, 430	30, 241, 250	239, 292, 747	21, 251, 120, 427	[4] 186. 86
1925	20, 210, 906, 251	30, 242, 930	275, 122, 993	20, 516, 272, 174	[4] 177. 82
1926	19, 383, 770, 860	13, 327, 800	246, 084, 419	19, 643, 183, 079	[4] 167. 70
1927	18, 250, 943, 965	14, 707, 235	244, 523, 064	18, 510, 174, 266	[4] 156. 04
1928	17, 317, 695, 097	45, 331, 660	241, 263, 806	17, 604, 290, 563	[4] 146. 69
1929	16, 638, 941, 380	50, 751, 399	241, 504, 969	16, 931, 197, 748	[4] 139. 40
1930	15, 921, 892, 350	31, 715, 370	231, 700, 579	16, 185, 308, 299	[4] 131. 38
1931	16, 519, 588, 640	51, 822, 845	230, 073, 658	16, 801, 485, 143	[4] 135. 42
1932	19, 161, 273, 540	60, 086, 685	265, 649, 541	19, 487, 009, 766	156. 12

See footnotes on next page.

(Footnotes for Table 21)

[1] Figures for 1853 to 1885, inclusive, are taken from "Statement of receipts and expenditures of the Government from 1855 to 1885 and principal of public debt from 1791 to 1885," compiled from the official records of the Register's office. Later figures are taken from the monthly debt statements and revised figures published in the annual reports of the Secretary of the Treasury.

[2] Exclusive of bonds issued to the Pacific railways (provision having been made by law to secure the Treasury against both principal and interest) and the Navy pension fund (which was in no sense a debt, the principal being the property of the United States).

[3] Includes old demand notes; United States notes, less the amount of the gold reserve since 1900; postal currency and fractional currency less the amounts officially estimated to have been destroyed; and also the redemption fund held by the Treasury to retire national bank notes of national banks failed, in liquidation, and reducing circulation, which prior to 1890 was not included in the published debt statements. Does not include gold, silver, or currency certificates or Treasury notes of 1890 for redemption of which an exact equivalent of the respective kinds of money or bullion was held in the Treasury.

[4] Revised in accordance with the 1930 census enumeration.

TABLE 22.—*Interest-bearing [1] debt outstanding June 30, 1932, by kind of security and callable period or payable date*

[On basis of daily Treasury statements (revised), see p. 337]

Security	Callable period or payable date	Certificates of indebtedness and Treasury bills	Notes and bonds	Cumulative total
Treasury certificates, adjusted service	July 1, '32-Jan. 1, '33 [2]	$105,000,000		$105,000,000
Panamas	July 1, '32-Aug. 1, '36		48,954,180	153,954,180
Do	July 1, '32-Nov. 1, '38		25,947,400	179,901,580
Postal savings [3]	July 1, '32-Jan. 1, '52		36,247,260	216,148,840
Consols	After July 1, 1932		599,724,050	815,872,890
First Liberty loan	July 1, '32-June 15, '47		1,933,214,100	2,749,086,990
Treasury bills	July 13, 1932	76,200,000		2,825,286,990
Do	July 20, 1932	75,600,000		2,900,886,990
Do	July 27, 1932	51,550,000		2,952,436,990
Certificates of indebtedness, A-1932	Aug. 1, 1932	227,631,000		3,180,067,990
Treasury bills	Aug. 10, 1932	76,744,000		3,256,811,990
Do	Aug. 17, 1932	75,000,000		3,331,811,990
Do	Aug. 24, 1932	60,050,000		3,391,861,990
Certificates of indebt., First Series	Aug. 29, '32-Mar. 15, '33.	33,960,900		3,425,822,890
Treasury bills	Aug. 31, 1932	100,022,000		3,525,844,890
Certificates of indebtedness:				
TS-1932	Sept. 15, 1932	314,279,500		3,840,124,390
TS2-1932	do	398,225,000		4,238,349,390
Treasury bills	Sept. 28, 1932	100,466,000		4,338,815,390
Certificates of indebtedness, TO-1932	Oct. 15, 1932	333,492,500		4,672,307,890
Treasury notes, series 1932	Dec. 15, 1932		600,446,200	5,272,754,090
Certificates of indebtedness:				
A-1933	Feb. 1, 1933	144,372,000		5,417,126,090
TM-1933	Mar 15, 1933	660,715,500		6,077,841,590
B-1933	May 2, 1933	239,197,000		6,317,038,590
TJ-1933	June 15, 1933	373,856,500		6,690,895,090
Fourth Liberty loan	Oct. 15, 1933-1938		6,268,100,450	12,958,995,540
Treasury notes:				
Series A-1934	May 2, 1934		244,234,600	13,203,230,140
Series A-1935	June 15, 1935		416,602,800	13,619,832,940
Treasury bonds	June 15, 1940-1943		352,994,450	13,972,827,390
Do	Mar. 15, 1941-1943		544,917,050	14,517,744,440
Do	June 15, 1943-1947		454,135,200	14,971,879,640
Do	Dec. 15, 1944-1954		1,036,834,500	16,008,714,140
Conversion bonds	Jan. 1, 1946-1947		28,894,500	16,037,608,640
Treasury bonds	June 15, 1946-1949		821,403,000	16,859,011,640
Do	Mar. 15, 1946-1956		489,087,100	17,348,098,740
Do	Oct. 15, 1947-1952		758,983,300	18,107,082,040
Do	Sept. 15, 1951-1955		800,421,500	18,907,503,540
Panamas	June 1, 1961		49,800,000	18,957,303,540
Treasury notes—civil service, foreign service, and Canal Zone	(4)		203,970,000	19,161,273,540
Total		3,446,361,900	15,714,911,640	

[1] Matured debt on which interest has ceased amounted to $60,086,685, of which $9,507,900 was Treasury notes, $3,080,850 was Second Liberty bonds, and $5,067,250 was Third Liberty loan bonds; and debt bearing no interest was $265,649,540.

[2] Funds available for the adjusted service certificate fund are invested and reinvested in special short-term securities which are redeemed from time to time to meet current obligations. These transactions will occur until the adjusted service certificates mature about 1945.

[3] Callable and payable dates for all issues of postal savings bonds fall within the period indicated.

[4] Funds acquired during year are invested in short-term securities. Therefore, these issues in varying amounts will be outstanding indefinitely.

Transactions in the public debt during the fiscal year 1932

TABLE 23.—*Public debt retirements chargeable against ordinary receipts during the fiscal year 1932, and cumulative totals to June 30, 1931 and 1932, by sources and issues*

[On basis of daily Treasury statements (revised), see p. 337]

Detail	Face amount retired	Principal amount paid	Accrued interest paid
Purchases and/or redemptions for cumulative sinking fund:			
Cumulative total to June 30, 1931	$3,579,128,300.00	$3,573,544,738.01	$28,368,804.31
Fiscal year 1932—			
Purchases—			
First 4¼'s	299,200.00	301,093.13	5,871.60
Treasury bonds—			
3⅜ per cent of 1940-1943	6,045,000.00	5,935,096.05	80,262.30
3⅜ per cent of 1941-1943	49,309,000.00	48,443,927.18	348,789.28
3⅜ per cent of 1943-1947	38,901,550.00	38,169,957.24	429,099.34
Redemptions, Treasury notes, series C-1930-1932	318,000,000.00	318,000,000.00	
Total	412,554,750.00	410,850,073.60	864,022.52
Cumulative total to June 30, 1932	3,991,683,050.00	3,984,394,811.61	29,232,826.83
Purchases and/or redemptions of bonds, etc., from cash repayments of principal by foreign governments, being repayments of loans under the Liberty bond acts (received under ratified or unratified debt agreements):			
Cumulative total to June 30, 1931	433,072,150.00	424,084,220.88	2,849,310.41
Fiscal year 1932, no retirements			
Cumulative total to June 30, 1932	433,072,150.00	424,084,220.88	2,849,310.41
Purchases and/or redemptions from franchise-tax receipts derived from Federal reserve banks:			
Cumulative total to June 30, 1931	[1] 147,772,383.57	[1] 147,126,865.32	399,384.12
Fiscal year 1932, no retirements			
Cumulative total to June 30, 1932	[1] 147,772,383.57	[1] 147,126,865.32	399,384.12
Purchases and/or redemptions from net earnings derived by the United States from Federal intermediate credit banks:			
Cumulative total to June 30, 1931	[2] 2,483,713.31	[2] 2,475,472.30	3,682.96
Fiscal year 1932—			
Redemptions, certificates of indebtedness, series TM-1932	21,000.00	21,000.00	
Cumulative total to June 30, 1932	[2] 2,504,713.31	[2] 2,496,472.30	3,682.96
Redemption of bonds, etc., received as repayments of principal by foreign governments under ratified debt agreements:			
Cumulative total to June 30, 1931	205,446,800.00	205,446,800.00	634,784.81
Fiscal year 1932, no retirements			
Cumulative total to June 30, 1932	205,446,800.00	205,446,800.00	634,784.81
Redemptions of bonds, etc., received as interest payments on obligations of foreign governments under ratified debt agreements:			
Cumulative total to June 30, 1931	906,369,150.00	906,369,150.00	3,650,335.93
Fiscal year 1932, no retirements			
Cumulative total to June 30, 1932	906,369,150.00	906,369,150.00	3,650,335.93

[1] Includes $1,240,699.09 applied to the gold reserve.
[2] Includes $1,819,363.31 applied to the gold reserve.

TABLE 23.—*Public debt retirements chargeable against ordinary receipts during the fiscal year 1932, and cumulative totals to June 30, 1931 and 1932, by sources and issues*—Continued

Detail	Face amount retired	Principal amount paid	Accrued interest paid
Redemptions of bonds, etc., received for estate taxes:			
Cumulative total to June 30, 1931	$66, 275, 650. 00	$66, 275, 650. 00	$641, 470. 10
Fiscal year 1932—			
Fourth 4¼'s	1, 000. 00	1, 000. 00	15. 68
Cumulative total to June 30, 1932	66, 276, 650. 00	66, 276, 650. 00	641, 485. 78
Redemptions of bonds, etc., received as gifts, forfeitures, or from miscellaneous sources:			
Cumulative total to June 30, 1931	[3] 10, 466, 865. 30	[3] 10, 466, 865. 30	
Fiscal year 1932—			
Forfeitures—			
First 3½'s	11, 000. 00	11, 000. 00	
First 4's	1, 500. 00	1, 500. 00	
First 4¼'s	2, 500. 00	2, 500. 00	
Fourth 4¼'s	22, 000. 00	22, 000. 00	
Treasury bonds—			
3⅜ per cent of 1940–1943	3, 500. 00	3, 500. 00	
3⅜ per cent of 1941–1943	4, 000. 00	4, 000. 00	
3⅜ per cent of 1943–1947	1, 000. 00	1, 000. 00	
3⅛ per cent of 1946–1949	3, 000. 00	3, 000. 00	
3 per cent of 1951–1955	2, 500. 00	2, 500. 00	
Treasury notes, series C–1930–1932	2, 000. 00	2, 000. 00	
Total	53, 000. 00	53, 000. 00	
Cumulative total to June 30, 1932	10, 519, 865. 30	10, 519, 865. 30	
Total purchases and redemptions:			
Cumulative total to June 30, 1931	[3] 5, 351, 015, 012. 18	[3] 5, 335, 789, 761. 81	36, 547, 772. 64
Fiscal year 1932	412, 629, 750. 00	410, 925, 073. 60	564, 038. 20
Cumulative total to June 30, 1932	5, 763, 644, 762. 18	5, 746, 714, 835. 41	37, 111, 810. 84

[3] Amounts exclude $4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

TABLE 24.—*Summary of transactions in interest-bearing and noninterest-bearing securities during the fiscal year 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Class of transactions	Amount
I. Transactions in interest-bearing securities (as affecting the outstanding public debt):	
A. Interest-bearing securities outstanding June 30, 1931	$16,519,588,640.00
B. Interest-bearing securities issued during the fiscal year 1932—	
1. Upon original subscription against cash received	9,561,158,530.00
2. Upon exchange, etc., for securities of equal par value retired	6,571,298,480.00
3. Upon adjudicated claims for replacement	231,050.00
4. Total securities issued	16,132,688,060.00
C. Total interest-bearing securities to account for (Items A and B-4)	32,652,276,700.00
D. Interest-bearing securities retired during the fiscal year 1932	
1. Account of redemption	6,873,647,270.00
2. Account of exchange, etc., for securities of equal par value issued	6,571,298,480.00
3. Account of loss or destruction (covered by insurance or bonds of indemnity)	231,050.00
4. Total securities retired	13,445,176,800.00
E. Securities outstanding June 30, 1932, which matured during the fiscal year	45,826,360.00
F. Total interest-bearing securities outstanding June 30, 1932	19,161,273,540.00
G. Total interest-bearing securities accounted for (Items D-4, E, and F)	32,652,276,700.00
II. Transactions in interest-bearing securities and securities which matured prior to July 1, 1931 (as affecting the accountability of the Treasury Department and its agents):	
A. Securities on hand June 30, 1931—	
1. Unissued—	
(a) Securities in Division of Loans and Currency	7,141,808,220.00
(b) Securities in Federal reserve banks and other Treasury agencies (exclusive of the Division of Loans and Currency)	3,489,179,500.00
2. Total securities on hand June 30, 1931	10,630,987,720.00
B. Interest-bearing securities received from Bureau of Engraving and Printing during the fiscal year 1932	22,336,903,440.00
C. Securities received for retirement during the fiscal year 1932—	
1. Account redemption—	
(a) Interest-bearing securities (see Item I, D-1, above)	6,873,647,270.00
(b) Securities matured prior to July 1, 1931	[1] 37,902,658.68
(c) Securities bearing no interest	36,137.00
2. Account exchange, etc., for securities of equal par value issued—	
(a) Interest-bearing securities (see Item I, D-2, above)	6,571,298,480.00
(b) Securities matured prior to July 1, 1931	236,900.00

3. Account loss or destruction (covered by insurance or bonds of indemnity)—	
(a) Interest-bearing securities (see Item I, D-3, above)	231, 050. 00
(b) Securities matured prior to July 1, 1931	2, 440. 00
4. Total securities received for retirement	13, 483, 354, 935. 68
D. Total securities to account for (Items II, A-2, B, and C-4)	46, 451, 246, 095. 68
E. Securities issued during the fiscal year 1932—	
1. Upon original subscription against cash received—	
(a) Interest-bearing securities (see Item I, B-1, above)	9, 561, 158, 530. 00
2. Upon exchange, etc., for securities of equal par value retired—	
(a) Interest-bearing securities (see Item I, B-2, above)	6, 571, 298, 480. 00
(b) Securities matured prior to July 1, 1931	236, 900. 00
3. Upon adjudicated claims for replacement—	
(a) Interest-bearing securities (see Item I, B-3, above)	231, 050. 00
(b) Securities matured prior to July 1, 1931	2, 440. 00
4. For specimen purposes	20. 00
5. Total securities issued	16, 132, 927, 420. 00
F. Securities delivered to Register of the Treasury during the fiscal year 1932—	
1. Account redemption—	
(a) Interest-bearing securities (see Item II, C-1 (a), above)	6, 873, 647, 270. 00
(b) Securities matured prior to July 1, 1931 (see Item II, C-1 (b), above)	37, 902, 658. 68
(c) Securities bearing no interest (see Item II, C-1 (c), above)	36, 137. 00
2. Account of exchange, etc., for securities of equal par value issued—	
(a) Interest-bearing securities (see Item II, C-2 (a), above)	6, 571, 298, 480. 00
(b) Securities matured prior to July 1, 1931 (see Item II, C-2 (b), above)	236, 900. 00
3. Account loss or destruction (covered by insurance or bonds of indemnity)—	
(a) Interest-bearing securities (see Item II, C-3 (a), above)	231, 050. 00
(b) Securities matured prior to July 1, 1931 (see Item II, C-3 (b), above)	2, 440. 00
4. Unissued securities (excess stock)—	
(a) By Division of Loans and Currency	663, 192, 090. 00
(b) By Federal reserve banks and other Treasury agencies (exclusive of the Division of Loans and Currency)	1, 812, 958, 150. 00
5. Total securities delivered to Register of the Treasury	15, 959, 505, 175. 68
G. Securities on hand June 30, 1932—	
1. Unissued—	
(a) Securities in Division of Loans and Currency	7, 954, 740, 700. 00
(b) Securities in Federal reserve banks and other Treasury agencies (exclusive of the Division of Loans and Currency)	6, 404, 072, 800. 00
2. Total securities on hand June 30, 1932	14, 358, 813, 500. 00
H. Total securities accounted for (Items E-5, F-5, and G-2)	46, 451, 246, 095. 68

[1] Includes matured Treasury (war) savings securities of which $340,168.38 was charged to interest and $356,150 to principal.

TABLE 25.—*Summary of transactions in interest-bearing securities, by form of issue, during the fiscal year 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Account	Pre-war bonds	Liberty bonds and Treasury bonds	Treasury notes	Certificates of indebtedness	Treasury bills	Total
I. Outstanding June 30, 1931	$776, 154, 790	$12, 754, 368, 400	$620, 907, 950	$1, 923, 577, 500	$444, 580, 000	$16, 519, 588, 640
II. Issued during 1932:						
A. Upon original subscription against cash received	13, 871, 880	800, 424, 000	1, 310, 606, 600	5, 100, 607, 050	2, 335, 649, 000	9, 561, 158, 530
B. Upon exchange, etc., for securities of equal par value retired	145, 356, 080	3, 453, 048, 200	571, 532, 900	1, 998, 716, 300	402, 645, 000	6, 571, 298, 480
C. Upon adjudicated claims for replacement	1, 000	230, 050				231, 050
D. Total issued during 1932	159, 228, 960	4, 253, 702, 250	1, 882, 139, 500	7, 099, 323, 350	2, 738, 294, 000	16, 132, 688, 060
III. Retired during 1932:						
A. Account of redemption	455, 120	94, 701, 750	458, 760, 750	4, 169, 014, 650	2, 150, 715, 000	6, 873, 647, 270
B. Account of exchanges, etc., for securities of equal par value issued	145, 356, 080	3, 453, 048, 200	571, 532, 900	1, 998, 716, 300	402, 645, 000	6, 571, 298, 480
C. Account of loss or destruction (covered by insurance or bonds of indemnity)	1, 000	230, 050				231, 050
D. Total retired during 1932	145, 812, 200	3, 547, 980, 000	1, 030, 293, 650	6, 167, 730, 950	2, 553, 360, 000	13, 445, 176, 800
IV. Outstanding June 30, 1932	789, 571, 550	13, 460, 090, 650	1, 472, 753, 800	2, 855, 169, 900	629, 514, 000	19, 207, 099, 900
Deduct interest-bearing debt which matured during the year	4, 160		7, 500, 200	24, 440, 000	13, 882, 000	45, 826, 360
V. Outstanding June 30, 1932 (per public debt statement)	789, 567, 390	13, 460, 090, 650	1, 465, 253, 600	2, 830, 729, 900	615, 632, 000	19, 161, 273, 540

TABLE 26.—*Changes in interest-bearing debt, by issues, during the fiscal year 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Detail	Outstanding July 1, 1931	Issues during year	Redemptions during year	Transfers to matured debt June 30, 1932	Outstanding June 30, 1932
Pre-war bonds:					
2 per cent consols of 1930	$599, 724, 050				$599, 724, 050
2 per cent Panama Canal loan of 1916–1936	48, 954, 180				48, 954, 180
2 per cent Panama Canal loan of 1918–1938	25, 947, 400				25, 947, 400
3 per cent Panama Canal loan of 1961	49, 800, 000				49, 800, 000
3 per cent conversion bonds of 1946–1947	28, 894, 500				28, 894, 500
2½ per cent postal savings bonds (first to forty-second series)	22, 834, 660	$13, 871, 880	$455, 120	$4, 160	36, 247, 260
Total pre-war bonds	776, 154, 790	13, 871, 880	455, 120	4, 160	789, 567, 390

Liberty bonds:					
First Liberty loan of 1932-1947—					
3½ per cent	1, 392, 239, 350		11, 000		1, 392, 228, 350
Converted 4 per cent	5, 003, 950		1, 500		5, 002, 450
Converted 4¼ per cent	532, 792, 850		301, 700		532, 491, 150
Second converted 4¼ per cent	3, 492, 150				3, 492, 150
Fourth Liberty loan, 4¼ per cent of 1933-1938	6, 268, 218, 450		118, 000		6, 268, 100, 450
Total Liberty bonds	8, 201, 746, 750		432, 200		8, 201, 314, 550
Treasury bonds:					
4¼ per cent of 1947-1952	758, 983, 300				758, 983, 300
4 per cent of 1944-1954	1, 036, 834, 500				1, 036, 834, 500
3¾ per cent of 1946-1956	489, 087, 100				489, 087, 100
3⅜ per cent of 1943-1947	493, 037, 750		38, 902, 550		454, 135, 200
3⅜ per cent of 1940-1943	359, 042, 950		6, 048, 500		352, 994, 450
3⅜ per cent of 1941-1943	594, 230, 050		49, 313, 000		544, 917, 050
3⅛ per cent of 1946-1949	821, 406, 000		3, 000		821, 403, 000
3 per cent of 1951-1955		800, 424, 000	2, 500		800, 421, 500
Total Treasury bonds	4, 552, 621, 656	800, 424, 000	94, 269, 550		5, 258, 776, 100
Treasury notes:					
3½ per cent, series C-1930-1932	451, 718, 950		444, 218, 750	7, 500, 200	
3¼ per cent, series 1932		600, 446, 200			600, 446, 200
3 per cent, series A-1934		244, 234, 600			244, 234, 600
3 per cent, series A-1935		416, 602, 800			416, 602, 800
Total Treasury notes	451, 718, 950	1, 261, 283, 600	444, 218, 750	7, 500, 200	1, 261, 283, 600
Certificates of indebtedness:					
Tax—					
2⅜ per cent, series TS-1931	334, 211, 000		333, 947, 000	264, 000	
1½ per cent, series TS 2-1931	300, 176, 000		299, 381, 000	795, 000	
1⅞ per cent, series TD-1931	268, 381, 000		267, 462, 000	919, 000	
1⅞ per cent, series TD 2-1931	275, 118, 000		274, 589, 000	529, 000	
2 per cent, series TM-1932	623, 891, 500		620, 106, 500	3, 785, 000	
2¾ per cent, series TJ-1932		324, 578, 500	306, 430, 500	18, 148, 000	
1⅛ per cent, series TS-1932		314, 279, 500			314, 279, 500
3 per cent, series TS 2-1932		398, 225, 000			398, 225, 000
3⅛ per cent, series TO-1932		333, 492, 500			333, 492, 500
3¾ per cent, series TM-1933		660, 715, 500			660, 715, 500
2 per cent, First Series maturing Mar. 15, 1933		34, 959, 550	998, 650		33, 960, 900
1½ per cent, series TJ-1933		373, 856, 500			373, 856, 500
Loan—					
3⅛ per cent, series A-1932		227, 631, 000			227, 631, 000
3¾ per cent, series A-1933		144, 372, 000			144, 372, 000
2 per cent, series B-1933		239, 197, 000			239, 197, 000
Total certificates of indebtedness	1, 801, 777, 500	3, 051, 307, 050	2, 102, 914, 650	24, 440, 000	2, 725, 729, 900

TABLE 26.—*Changes in interest-bearing debt, by issues, during the fiscal year 1932*—Continued

Detail	Outstanding July 1, 1931	Issues during year	Redemptions during year	Transfers to matured debt June 30, 1932	Outstanding June 30, 1932
Treasury bills, series maturing:					
July 1, 1931	$50,427,000		$50,427,000		
July 2, 1931	50,428,000		50,428,000		
July 17, 1931	50,102,000		50,072,000	$30,000	
July 27, 1931	53,510,000		53,510,000		
Aug. 3, 1931	60,160,000		60,160,000		
Aug. 10, 1931	50,000,000		50,000,000		
Aug. 17, 1931	50,000,000		50,000,000		
Aug. 31, 1931	80,013,000		80,013,000		
Sept. 30, 1931		$50,026,000	50,026,000		
Do		50,050,000	50,050,000		
Oct. 15, 1931		51,200,000	51,200,000		
Oct. 26, 1931		51,806,000	51,806,000		
Nov. 2, 1931		59,850,000	59,850,000		
Nov. 9, 1931		60,005,000	60,005,000		
Nov. 16, 1931		60,280,000	60,280,000		
Nov. 23, 1931		60,001,000	60,001,000		
Nov. 30, 1931		80,019,000	80,019,000		
Dec. 30, 1931		100,761,000	100,736,000	25,000	
Jan. 13, 1932		51,641,000	51,621,000	20,000	
Jan. 25, 1932		51,338,000	51,286,000	52,000	
Feb. 1, 1932		60,921,000	60,921,000		
Feb. 8, 1932		75,173,000	75,019,000	154,000	
Feb. 15, 1932		75,410,000	75,298,000	112,000	
Feb. 24, 1932		60,082,000	59,997,000	85,000	
Mar. 2, 1932		100,490,000	100,340,000	150,000	
Mar. 30, 1932		101,332,000	101,074,000	258,000	
Apr. 13, 1932		50,175,000	49,723,000	452,000	
Apr. 27, 1932		50,937,000	50,696,000	241,000	
May 11, 1932		76,399,000	76,237,000	162,000	
May 18, 1932		75,689,000	74,741,000	948,000	
May 25, 1932		62,851,000	61,823,000	1,028,000	
June 1, 1932		101,412,000	95,943,000	5,469,000	
June 29, 1932		102,169,000	97,173,000	4,696,000	
July 13, 1932		76,200,000			$76,200,000
July 20, 1932		75,600,000			75,600,000
July 27, 1932		51,550,000			51,550,000
Aug. 10, 1932		76,744,000			76,744,000
Aug. 17, 1932		75,000,000			75,000,000
Aug. 24, 1932		60,050,000			60,050,000
Aug. 31, 1932		100,022,000			100,022,000
Sept. 28, 1932		100,466,000			100,466,000
Total Treasury bills	444,580,000	2,335,649,000	2,150,715,000	13,882,000	615,632,000

Special issues:					
Treasury notes—					
Civil service retirement fund series	167,900,000	46,800,000	14,400,000		200,300,000
Foreign Service retirement fund series	1,289,000	453,000	136,000		1,606,000
Canal Zone retirement fund series		2,070,000	6,000		2,061,000
Certificates of indebtedness—					
Adjusted service certificate fund series	121,800,000	393,300,000	410,100,000		105,000,000
Short-term (Federal reserve banks)		1,656,000,000	1,656,000,000		
Total special issues	290,989,000	2,098,623,000	2,080,642,000		308,970,000
Total all securities	16,519,588,640	9,561,158,530	6,873,647,270	45,826,360	19,161,273,540

TABLE 27.—*Transactions in noninterest-bearing securities, by issues, during the fiscal year 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Title of issue	Rate of interest [1]	Outstanding July 1, 1931	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt June 30, 1932	Outstanding June 30, 1932
MATURED DEBT ON WHICH INTEREST HAS CEASED							
I. Pre-war bonds, etc.:	*Per cent*						
Compound-interest notes (1864–1866)	[2] 6	$156,560.00		$50.00			$156,510.00
Funded loan of 1907 (refunding)	4	346,300.00		200.00			346,100.00
Refunding certificates (1879)	4	8,880.00		80.00			8,800.00
One year notes of 1863	5	30,050.00		40.00			30,010.00
Loan of 1908–1918	3	161,020.00		2,180.00			158,840.00
Loan of 1925	4	213,000.00		50,150.00			162,850.00
Postal savings bonds	2½					$4,160.00	4,160.00
All other issues [3]	Various.	724,160.26					724,160.26
Total pre-war bonds, etc		1,639,970.26		52,670.00		4,160.00	1,591,460.26
II. Liberty loan bonds:							
Second Liberty loan—							
Second 4's	4	966,450.00		101,900.00	$63,350.00		864,550.00
Second 4¼'s	4¼	3,027,850.00		811,550.00	25,450.00		2,216,300.00
Total		3,994,300.00		913,450.00	88,800.00		3,080,850.00
Third Liberty loan	4¼	6,514,300.00		1,447,050.00	150,550.00		5,067,250.00
Total Liberty loan bonds		10,508,600.00		2,360,500.00	239,350.00		8,148,100.00

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
[2] Interest compounded.
[3] Represents issues in which there were no transactions during the fiscal year; for amount of each issue outstanding (unchanged since June 30, 1929), see annual report for June 30, 1929, page 478.

TABLE 27.—*Transactions in noninterest-bearing securities, by issues, during the fiscal year 1932*—Continued

Title of issue	Rate of interest[1]	Outstanding July 1, 1931	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt June 30, 1932	Outstanding June 30, 1932
MATURED DEBT ON WHICH INTEREST HAS CEASED—continued							
III. Victory notes:	*Per cent*						
Victory $3\frac{3}{4}$'s	$3\frac{3}{4}$	$20,650.00		$1,450.00			$19,200.00
Victory $4\frac{3}{4}$'s	$4\frac{3}{4}$	1,233,450.00		136,950.00			1,096,500.00
Total Victory notes		1,254,100.00		138,400.00			1,115,700.00
IV. Treasury notes, series:							
A-1924	$5\frac{3}{4}$	27,200.00		3,000.00			24,200.00
B-1924	$5\frac{1}{2}$	15,000.00		2,000.00			13,000.00
A-1925	$4\frac{3}{4}$	42,300.00		5,100.00			37,200.00
B-1925	$4\frac{7}{8}$	43,900.00		800.00			43,100.00
C-1925	$4\frac{1}{2}$	31,400.00		700.00			30,700.00
A-1926	$4\frac{3}{4}$	9,900.00		2,100.00			7,800.00
B-1926	$4\frac{1}{4}$	19,200.00		4,200.00			15,000.00
A-1927	$4\frac{1}{2}$	34,400.00		7,700.00			26,700.00
B-1927	$4\frac{3}{4}$	116,000.00		38,700.00			77,300.00
A-1930-1932	$3\frac{1}{2}$	16,379,450.00		15,619,700.00			759,750.00
B-1930-1932	$3\frac{1}{2}$	16,597,850.00		15,624,900.00			972,950.00
C-1930-1932	$3\frac{1}{2}$					$7,500,200.00	7,500,200.00
Total Treasury notes		33,316,600.00		31,308,900.00		7,500,200.00	9,507,900.00
V. Certificates of indebtedness:							
Tax issues, series—							
T-10	$4\frac{1}{2}$	1,000.00					1,000.00
TJ-1920	$4\frac{1}{2}$	3,000.00					3,000.00
TD-1920	$4\frac{3}{4}$	2,000.00					2,000.00
TM-1921	$4\frac{3}{4}$	500.00					500.00
TM2-1921	$5\frac{3}{4}$	1,500.00					1,500.00
TJ-1921	6	3,000.00					3,000.00
TS-1921	6	2,000.00					2,000.00
TS2-1921	$5\frac{1}{2}$	1,000.00					1,000.00
TD-1921	6	2,500.00					2,500.00
TM-1922	$5\frac{3}{4}$	3,000.00					3,000.00
TJ-1922	$5\frac{1}{2}$	1,000.00					1,000.00
TS2-1922	$4\frac{1}{2}$	1,000.00		500.00			500.00
TD-1922	$4\frac{1}{2}$	3,000.00					3,000.00
TM-1923	$4\frac{1}{4}$	1,000.00					1,000.00
TS-1923	$3\frac{3}{4}$	500.00					500.00
TM-1924	$4\frac{1}{2}$	12,000.00		500.00			11,500.00
TM-1925	4	1,000.00					1,000.00

TJ-1926	3	1,000.00					1,000.00
TJ2-1926	3¼	1,000.00					1,000.00
TD-1926	3¾	2,500.00		2,500.00			
TJ-1927	3½	2,000.00					2,000.00
TJ-1928	3⅛	1,000.00					1,000.00
TD-1928	3¼	500.00					500.00
TM-1929	3⅜	3,500.00					3,500.00
TM2-1929	3⅞	500.00		500.00			
TJ-1929	4½	63,800.00		42,400.00			21,400.00
TS-1929	4¾	61,500.00		29,500.00			32,000.00
TS2-1929	4¼	1,000.00		1,000.00			
TD-1929	4¼	156,500.00		55,500.00			101,000.00
TD2-1929	4¾	89,500.00		37,500.00			52,000.00
TM-1930	5⅛	342,500.00		196,500.00			146,000.00
TJ-1930	4⅞	200,000.00		110,000.00			90,000.00
TS-1930	3⅛	85,000.00		73,500.00			11,500.00
TD-1930	3¼	399,000.00		338,500.00			60,500.00
TJ-1931	2⅞	1,020,500.00		965,000.00			55,500.00
TJ2-1931	1¾	1,508,500.00		1,483,500.00			25,000.00
TS-1931	2⅜					264,000.00	264,000.00
TD-1931	1⅞					919,000.00	919,000.00
TS2-1931	1½					795,000.00	795,000.00
TM-1932	2					3,785,000.00	3,785,000.00
TD2-1931	1⅞					529,000.00	529,000.00
TJ-1932	2¾					18,148,000.00	18,148,000.00
Loan issues, series—							
March 20, 1918	4½	500.00					500.00
4-A	4½	500.00					500.00
4-B	4½	1,000.00					1,000.00
4-C	4½	500.00					500.00
G-1920	5¼	1,000.00					1,000.00
C-1921	6	1,500.00					1,500.00
E-1921	5½	1,000.00					1,000.00
H-1921	5½	500.00					500.00
A-1922	5½	1,000.00					1,000.00
B-1922	5½	2,000.00					2,000.00
Total certificates of indebtedness		3,988,300.00		3,336,900.00		24,440,000.00	25,091,400.00
VI. Treasury bills, series matured:[1]							
March 17, 1930	3.276	3,000.00		2,000.00			1,000.00
May 19, 1930	3.306	6,000.00		6,000.00			
November 17, 1930	1.960	1,000.00		1,000.00			
July 17, 1931	1.001					30,000.00	30,000.00
December 30, 1931	1.217					25,000.00	25,000.00
January 13, 1932	2.384					20,000.00	20,000.00
January 25, 1932	2.687					52,000.00	52,000.00
February 8, 1932	2.009					154,000.00	154,000.00
February 15, 1932	2.024					112,000.00	112,000.00
February 24, 1932	2.281					85,000.00	85,000.00
March 2, 1932	2.585					150,000.00	150,000.00

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.

TABLE 27.—*Transactions in noninterest-bearing securities, by issues, during the fiscal year 1932*—Continued

Title of issue	Rates of interest [1]	Outstanding July 1, 1931	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt June 30, 1932	Outstanding June 30, 1932
MATURED DEBT ON WHICH INTEREST HAS CEASED—continued							
VI. Treasury bills, series matured [1]—Continued.	*Per cent*						
March 30, 1932	3.253					$258,000.00	$258,000.00
April 13, 1932	2.879					452,000.00	452,000.00
April 27, 1932	2.483					211,000.00	241,000.00
May 11, 1932	2.655					162,000.00	162,000.00
May 18, 1932	2.761					948,000.00	948,000.00
May 25, 1932	2.709					1,028,000.00	1,028,000.00
June 1, 1932	2.195					5,469,000.00	5,469,000.00
June 29, 1932	2.079					4,696,000.00	4,696,000.00
Total Treasury bills		$10,000.00		$9,000.00		13,882,000.00	13,883,000.00
VII. Treasury (war) savings securities:							
Issue of December 15, 1921		175,050.00		74,600.00			100,450.00
Issue of September 30, 1922		520,675.00		140,200.00			380,475.00
Issue of December 1, 1923		409,550.00		141,350.00			268,200.00
Total Treasury (war) savings securities		1,105,275.00		356,150.00			749,125.00
Total matured debt		51,822,845.26		37,562,520.00	$239,350.00	45,826,360.00	60,086,685.26
DEBT BEARING NO INTEREST							
I. United States notes (less gold reserve)		190,641,927.97					190,641,927.97
II. Old demand notes		53,012.50					53,012.50
III. National and Federal reserve bank notes		33,988,385.00	$73,067,135.00	37,454,052.50			69,601,467.50
IV. Fractional currency		1,989,282.01		1,354.44			1,987,927.57
V. Thrift and Treasury savings stamps (unclassified sales, etc.)		3,401,050.72	291.11	36,137.00			3,365,204.83
Total debt bearing no interest		230,073,558.20	73,067,126.11	37,491,543.94			265,649,540.37

[1] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.

Transactions in public debt securities by years

TABLE 28.—*Public debt issues for the fiscal years 1931 and 1932* [1]

[On basis of daily Treasury statements (revised), see p. 337]

Issue	Rate of interest [2]	1931	1932
	Per cent		
Postal savings bonds, series 39 to 42	2½	$3,609,940	$13,871,880
Treasury bonds:			
Mar. 16, 1931–1941–43	3⅜	594,230,050	
June 15, 1931–1946–49	3⅛	821,406,000	
Sept. 15, 1931–1951–55	3		800,424,000
Treasury notes:			
Dec. 15, 1931, series 1932	3¼		600,446,200
May 2, 1932, series A–1934	3		244,234,600
June 15, 1932, series A–1935	3		416,602,800
Adjusted service certificate fund series	4	244,000,000	
Civil service retirement fund series	4	65,000,000	46,800,000
Foreign service retirement fund series	4	525,000	453,000
Canal Zone retirement fund series	4		2,070,000
Certificates of indebtedness:			
Tax series—			
Sept. 15, 1930–Sept. 15, 1931	2⅜	334,211,000	
Dec. 15, 1930–June 15, 1931	1¾	159,941,000	
Dec. 15, 1930–Dec. 15, 1931	1⅞	268,381,000	
Mar. 16, 1931–Sept. 15, 1931	1½	300,176,000	
Mar. 16, 1931–Mar. 15, 1932	2	623,891,500	
Apr. 15, 1931–Dec. 15, 1931	1⅞	275,118,000	
Sept. 15, 1931–Sept. 15, 1932	1⅛		314,279,500
Dec. 15, 1931–Sept. 15, 1932	3		398,225,000
Dec. 15, 1931–June 15, 1932	2¾		324,578,500
Mar. 15, 1932–Oct. 15, 1932	3⅛		333,492,500
Mar. 15, 1932–Mar. 15, 1933	3¾		660,715,500
Mar. 15, 1932–Mar. 15, 1933	2		34,959,550
June 15, 1932–June 15, 1933	1½		373,856,500
Loan series—			
Feb. 1, 1932–Aug. 1, 1932	3⅛		227,631,000
Feb. 1, 1932–Feb. 1, 1933	3¾		144,372,000
May 2, 1932–May 2, 1933	2		239,197,000
Adjusted service certificate fund series	4	356,000,000	393,300,000
Special short-term (one-day)	Various.	1,441,500,000	1,656,000,000
Treasury bills, issue of: [2]			
July 14, 1930–Sept. 15, 1930	1.876	50,920,000	
Aug. 18, 1930–Nov. 17, 1930	1.960	120,000,000	
Oct. 15, 1930–Dec. 16, 1930	1.857	51,262,000	
Oct. 16, 1930–Dec. 17, 1930	1.857	51,263,000	
Nov. 17, 1930–Feb. 16, 1931	1.726	127,455,000	
Feb. 3, 1931–May 4, 1931	.949	30,000,000	
Feb. 4, 1931–May 5, 1931	.919	30,000,000	
Feb. 16, 1931–May 18, 1931	1.207	154,281,000	
Apr. 2, 1931–July 1, 1931	1.465	50,427,000	
Apr. 3, 1931–July 2, 1931	1.465	50,428,000	
Apr. 27, 1931–July 27, 1931	1.330	53,510,000	
May 5, 1931–Aug. 3, 1931	1.295	60,100,000	
May 11, 1931–Aug. 10, 1931	1.182	50,000,000	
May 18, 1931–July 17, 1931	1.001	50,102,000	
May 18, 1931–Aug. 17, 1931	1.010	50,000,000	
June 1, 1931–Aug. 31, 1931	.849	80,013,000	
July 1, 1931–Sept. 30, 1931	.631		50,026,000
July 2, 1931–Sept. 30, 1931	.631		50,050,000
July 17, 1931–Oct. 15, 1931	.489		51,200,000
July 27, 1931–Oct. 26, 1931	.456		51,806,000
Aug. 3, 1931–Nov. 2, 1931	.511		59,850,000
Aug. 10, 1931–Nov. 9, 1931	.560		60,005,000
Aug. 17, 1931–Nov. 16, 1931	.631		60,280,000
Aug. 24, 1931–Nov. 23, 1931	.586		60,001,000
Aug. 31, 1931–Nov. 30, 1931	.616		80,019,000
Sept. 30, 1931–Dec. 30, 1931	1.217		100,761,000
Oct. 15, 1931–Jan. 13, 1932	2.384		51,641,000
Oct. 26, 1931–Jan. 25, 1932	2.687		51,338,000
Nov. 2, 1931–Feb. 1, 1932	2.334		60,921,000
Nov. 9, 1931–Feb. 8, 1932	2.009		75,173,000
Nov. 16, 1931–Feb. 15, 1932	2.024		75,410,000
Nov. 23, 1931–Feb. 24, 1932	2.281		60,082,000
Nov. 30, 1931–Mar. 2, 1932	2.585		100,490,000
Dec. 30, 1931–Mar. 30, 1932	3.253		101,332,000
Jan. 13, 1932–Apr. 13, 1932	2.879		50,175,000
Jan. 25, 1932–Apr. 27, 1932	2.483		50,937,000
Feb. 8, 1932–May 11, 1932	2.655		76,399,000
Feb. 15, 1932–May 18, 1932	2.761		75,689,000
Feb. 24, 1932–May 25, 1932	2.709		62,851,000
Mar. 2, 1932–June 1, 1932	2.495		101,412,000

For footnotes see p. 422.

TABLE 28.—*Public debt issues for the fiscal years 1931 and 1932*[1]—Continued

Issue	Rate of interest [2]	1931	1932
Treasury bills, issue of [2]—Continued.	*Per cent*		
Mar. 30, 1932–June 29, 1932	2.079		$102,169,000
Apr. 13, 1932–July 13, 1932	1.049		76,200,000
Apr. 20, 1932–July 20, 1932	.621		75,600,000
Apr. 27, 1932–July 27, 1932	.630		51,550,000
May 11, 1932–Aug. 10, 1932	.676		76,744,000
May 18, 1932–Aug. 17, 1932	.425		75,000,000
May 25, 1932–Aug. 24, 1932	.289		60,050,000
June 1, 1932–Aug. 31, 1932	.321		100,022,000
June 29, 1932–Sept. 28, 1932	.408		100,466,000
Treasury (War) savings securities:			
Thrift and Treasury savings stamps, unclassified sales, etc.[3]		$3,461	291
Deposits for retirement of national bank notes [3]		25,363,570	73,067,135
Total issues [3]		6,573,117,521	9,634,225,956

[1] For issues from Apr. 6, 1917, to June 30, 1930, see annual report for 1930, p. 584.
[2] Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
[3] Cents omitted.

TABLE 29.—*Public debt retirements, by issues, for the fiscal years 1931 and 1932*[1]

[On basis of warrants issued, see p. 337]

Issue	Rate of interest	1931	1932
	Per cent		
First Liberty loan bonds	3½	$16,900	$11,000
First Liberty loan bonds, converted	4	1,500	1,500
Do	4¼	5,650	301,700
Fourth Liberty loan bonds	4¼	33,100	118,000
Treasury bonds of 1947–1952	4¼	1,000	
Treasury bonds of 1943–1947	3⅜		38,902,550
Treasury bonds of 1940–1943	3⅜		6,048,500
Treasury bonds of 1941–1943	3⅜		49,313,000
Treasury bonds of 1946–1949	3⅛		3,000
Treasury bonds of 1951–1955	3		2,500
Treasury certificates	2		998,650
Treasury notes	3½	1,141,419,250	475,463,350
Treasury notes (adjusted service series)	4	873,200,000	
Treasury notes (civil service series)	4	31,200,000	14,400,000
Treasury notes (foreign service series)	4	107,000	136,000
Treasury notes (Canal Zone series)	4		6,000
Treasury bills [2]		771,149,000	2,150,724,000
Old debt, issued prior to Apr. 6, 1917		72,350	507,790
Second Liberty loan bonds	4	150,700	101,900
Second Liberty loan bonds, converted	4¼	1,367,000	811,550
Third Liberty loan bonds	4¼	3,151,250	1,447,050
Victory Liberty loan notes	3¾–4¾	178,950	138,400
Treasury notes, at various interest rates, matured		72,700	64,300
Certificates of indebtedness, various rates		2,873,079,200	3,761,252,900
Certificates of indebtedness (adjusted service series)	4	234,200,000	410,100,000
Treasury savings certificates		541,175	356,150
National bank notes and Federal reserve bank notes (old series)		9,532,465	5,539,200
National bank notes and Federal reserve bank notes (new series)		17,413,640	31,914,853
Fractional currency		1,230	1,354
Thrift and Treasury savings stamps, unclassified sales, etc.		46,597	36,137
Total		5,956,940,677	6,948,701,334

[1] For details for years from 1918 to 1930, see annual reports for 1924, p. 369; 1929, p. 495; and 1931, p. 533.
[2] Sold on a discount basis.

TABLE 30.—*Sources of public debt increase or decrease for the fiscal years 1915 to 1932*

[On basis of daily Treasury statements (unrevised), see p. 337]

[In thousands]

Year	Public debt retirements chargeable against ordinary receipts							
	Sinking fund	Foreign payments: Cash repayments of principal	Foreign payments: Bonds, etc., received as repayments of principal	Foreign payments: Bonds, etc., received as interest payments	Bonds and notes received for estate taxes	Franchise tax receipts, Federal reserve banks	Net earnings, Federal intermediate credit banks	Miscellaneous gifts, forfeitures, etc.
1915								
1916								
1917								
1918						$1,134		
1919		$7,922			$93			
1920		72,670			3,141	2,922		$13
1921	$261,100	73,939			26,349	60,724		[1] 5,010
1922	276,046	64,838			21,085	60,333		393
1923	284,019	32,140		$68,753	6,569	10,815		555
1924	295,987	38,509	$22,965	87,914	8,897	3,635		93
1925	306,309	386	22,823	135,970	47	114	$680	208
1926	317,092	4,394	29,000	136,260		59	509	63
1927	333,528	19,254	25,000	134,962		818	414	5,578
1928	351,741	19,068	27,429	135,307	2	250	369	3,090
1929	370,277	571	37,895	137,747	20	2,667	266	160
1930	388,369	51,135	40,335	69,456	73	4,283	172	61
1931	391,660	48,246				18	74	85
1932	412,555				1		21	53
Total	3,991,683	433,072	205,447	906,369	66,277	147,772	2,505	15,362

Year	Total public debt retirements chargeable against ordinary receipts	Surplus or deficit [2] of receipts (general, special, and trust funds combined)[3]	Increase or decrease [2] in General Fund balance	Increase or decrease [2] in gross debt	Total gross debt	General Fund balance
1915					$1,191,362	$158,112
1916		$48,478	$82,262	$33,783	1,225,146	240,404
1917		*853,357*	897,116	1,750,473	2,975,619	1,137,520
1918	$1,134	*9,033,254*	447,487	9,479,607	12,455,225	1,585,007
1919	8,015	*13,370,637*	*333,342*	13,029,281	25,484,506	1,251,665
1920	78,746	212,475	*893,963*	*1,185,185*	24,299,321	357,702
1921	427,123	86,724	191,977	*321,871*	23,977,451	549,678
1922	422,695	313,802	*277,573*	*1,014,069*	22,963,382	272,106
1923	402,850	309,657	98,834	*613,674*	22,349,707	370,939
1924	458,000	505,367	*135,528*	*1,098,894*	21,250,813	235,411
1925	466,538	250,505	*17,576*	*734,619*	20,516,194	217,836
1926	487,376	377,768	*7,834*	*872,978*	19,643,216	210,002
1927	519,555	635,810	24,055	*1,131,309*	18,511,907	234,057
1928	540,255	398,828	31,470	*907,614*	17,604,293	265,527
1929	549,604	184,787	61,186	*673,205*	16,931,088	326,713
1930	553,884	183,789	*8,106*	*745,779*	16,185,310	318,607
1931	440,082	*902,717*	153,337	615,972	16,801,281	471,944
1932	412,630	*2,885,362*	*54,747*	[4] 2,685,721	19,487,002	417,197
Total	5,768,487	*23,537,337*	259,055	[4] 18,295,640		

[1] Includes $4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.
[2] Deficit and decrease in italics.
[3] For explanation of funds, see p. 338.
[4] Includes $267,735,208.55 increase in debt, representing net payments from credits established on account of the purchase by the Secretary of the Treasury of the obligations of the Reconstruction Finance Corporation.

TABLE 30.—*Sources of public debt increase or decrease for the fiscal years 1915 to 1932*—Continued

[In thousands]

RECAPITULATION

Retirements from—		
Charges against ordinary receipts	$5, 768, 487	
Surplus of receipts	3, 507, 991	
Total		$9, 276, 478
Increase in debt on account of—		
Deficit in ordinary receipts	27, 045, 328	
Increase in General Fund balance	259, 055	
Net payments from credits established on account of the purchase by the Secretary of the Treasury of the obligations of the Reconstruction Finance Corporation	267, 735	
Total		27, 572, 118
Net increase		18, 295, 640
Gross debt:		
June 30, 1915		1, 191, 362
June 30, 1932		19, 487, 002
Net increase		18, 295, 640

Cumulative sinking fund transactions

TABLE 31.—*Transactions on account of the cumulative sinking fund during the fiscal year 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Unexpended balance July 1, 1931			$18. 67
Appropriation for 1932:			
Initial credit		$253, 404, 864. 87	
(2½ per cent of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign governments held by the United States on July 1, 1920.)			
Secondary credit		157, 445, 237. 77	
(The interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.)			410, 850, 102. 64
Total available, 1932			410, 850, 121. 31
Securities retired in 1932:	Par amount	Principal cost	
First 4¼ per cent bonds	$299, 200. 00	$301, 093. 13	
Treasury bonds—			
3⅜ per cent, of 1940–1943	6, 045, 000. 00	5, 935, 096. 05	
3⅜ per cent, of 1941–1943	49, 309, 000. 00	48, 443, 927. 18	
3⅜ per cent, of 1943–1947	38, 901, 550. 00	38, 169, 957. 24	
Treasury notes, series C–1930–1932	318, 000, 000. 00	318, 000, 000. 00	
Total	412, 554, 750. 00	410, 850, 073. 60	410, 850, 073. 60
Unexpended balance June 30, 1932			47. 71

TABLE 32.—*Transactions on account of the cumulative sinking fund for the fiscal years 1921 to 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Year	Appropriation available [1]	Debt retired (par amount)	Expended (principal cost)
1921	$256, 230, 010. 66	$261, 250, 250. 00	$254, 844, 576. 50
1922	274, 516, 965. 89	275, 896, 000. 00	274, 481, 902. 16
1923	284, 156, 439. 19	284, 018, 800. 00	284, 149, 754. 16
1924	294, 927, 023. 26	295, 987, 350. 00	294, 927, 019. 57
1925	306, 666, 759. 52	306, 308, 400. 00	306, 666, 736. 01
1926	321, 184, 577. 22	317, 091, 750. 00	321, 184, 468. 20
1927	336, 890, 916. 27	333, 528, 400. 00	336, 890, 832. 47
1928	355, 081, 401. 18	354, 741, 300. 00	355, 080, 563. 11
1929	370, 241, 327. 02	370, 277, 100. 00	370, 241, 297. 84
1930	382, 925, 568. 19	388, 368, 950. 00	382, 925, 400. 49
1931	392, 152, 206. 17	391, 660, 000. 00	392, 152, 187. 50
1932	410, 850, 121. 31	412, 554, 750. 00	410, 850, 073. 60
Total	3, 984, 394, 859. 32	3, 991, 683, 050. 00	3, 984, 394, 811. 61

[1] Unexpended balance each year included in appropriation available for next year, but excluded from total. Unexpended balance $47.71 at end of 1932.

TABLE 33.—*Securities retired through the cumulative sinking fund, par amount and principal cost, to June 30, 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Issue	Par amount	Principal cost
Liberty bonds:		
First 3½'s	$11,000.00	$11,000.00
First 4's	151,000.00	143,703.09
First 4¼'s	324,070.00	325,948.13
Second 4's	670,900.00	671,196.27
Second 4¼'s	374,735,400.00	371,988,667.88
Third 4¼'s	1,261,876,000.00	1,268,640,946.97
Fourth 4¼'s	23,943,650.00	23,757,185.25
Victory notes:		
3¾'s	106,186,900.00	104,512,276.28
4¾'s	610,584,150.00	604,769,317.07
Treasury bonds:		
3⅜ per cent of 1940–1943	6,015,000.00	5,935,096.05
3⅜ per cent of 1941–1943	49,309,000.00	48,443,927.18
3⅜ per cent of 1943–1947	38,901,550.00	38,169,957.24
Treasury notes:		
5½ per cent, series B–1924	103,000,000.00	103,028,635.62
4¾ per cent, series A–1925	101,000,000.00	101,001,423.53
4⅜ per cent, series B–1925	11,315,900.00	11,279,715.38
4½ per cent, series C–1925	113,199,900.00	113,196,011.61
4¾ per cent, series A–1926	1,018,300.00	1,018,300.00
4¼ per cent, series B–1926	9,764,200.00	9,485,492.59
4½ per cent, series A–1927	26,798,000.00	26,880,711.16
4¾ per cent, series B–1927	60,217,900.00	60,217,900.00
3½ per cent, series A–1930–1932	691,281,850.00	687,390,338.29
3½ per cent, series B–1930–1932	41,984,300.00	41,682,698.99
3½ per cent, series C–1930–1932	379,576,100.00	358,811,873.00
Total	3,991,683,050.00	3,984,394,811.61

Interest on the public debt

TABLE 34.—*Interest on the public debt payable, paid, and outstanding unpaid for the fiscal year 1932*

[On basis of daily Treasury statements (revised), see p. 337]

Issue	Outstanding unpaid June 30, 1931	Due and payable during 1932	Payments during 1932	Outstanding unpaid June 30, 1932
Pre-war loans	$330,028.95	$16,479,234.34	$16,474,911.14	$334,352.15
Liberty and Victory loans	26,027,018.77	338,101,125.91	337,353,270.74	26,774,873.94
Treasury bonds	2,612,258.06	178,160,698.68	175,291,372.37	5,481,584.37
Treasury notes	783,025.61	25,417,521.26	25,466,831.28	733,715.59
Certificates of indebtedness	1,102,303.24	36,066,918.35	35,885,396.28	1,283,825.31
Treasury (war) savings securities [1]	4,746,095.00	[2] 536.32	310,138.68	4,405,420.00
Treasury bills [1]		8,910,674.75	8,910,674.75	
Total	35,600,729.63	603,135,636.97	599,722,595.24	39,013,771.36

[1] Amounts represent discount treated as interest.
[2] Adjustment, deduct.

TABLE 35.—*Interest paid on the public debt, by issues, for the fiscal years 1930 to 1932* [1]

[On basis of warrants issued, see p. 337]

Title	Rate of interest	1930	1931	1932
Debt unmatured as of June 30, 1932:	*Per cent*			
Consols of 1930	2	$12,013,570.05	$11,990,183.25	$11,994,223.25
Panama Canal loan of 1916-1936	2	978,542.30	979,675.70	978,464.10
Panama Canal loan of 1918-1938	2	519,216.18	519,082.22	518,722.30
Panama Canal loan of 1961	3	1,493,616.75	1,493,608.50	1,492,434.75
Conversion bonds of 1946-1947	3	867,128.25	866,427.75	865,452.75
Postal savings bonds	2½	436,927.25	495,681.25	621,661.50
First Liberty loan bonds	3½	49,102,456.65	48,528,988.44	48,870,615.64
First Liberty loan bonds (converted)	4	212,043.23	202,174.19	206,074.69
Do	4¼	22,600,176.02	22,891,047.89	22,557,235.91
First Liberty loan bonds (second converted)	4¼	149,443.98	150,738.09	149,049.59
Fourth Liberty loan bonds	4¼	266,086,143.77	265,961,876.96	265,250,533.90
Treasury bonds of 1947-1952	4¼	32,234,593.08	32,192,016.65	32,085,722.18
Treasury bonds of 1944-1954	4	41,461,516.72	41,500,752.00	40,835,912.00
Treasury bonds of 1946-1956	3¾	18,308,410.96	18,343,527.70	18,304,992.52
Treasury bonds of 1943-1947	3⅜	16,651,610.82	16,598,228.04	16,091,009.98
Treasury bonds of 1941-1943	3⅜	12,078,168.29	[2] 8.51	19,888,916.46
Treasury bonds of 1940-1943	3⅜	----------	12,021,731.15	11,780,100.74
Treasury bonds of 1946-1949	3⅛	----------	[2] 255.75	24,456,103.67
Treasury bonds of 1951-1955	3	----------	----------	11,848,614.82
Treasury notes	3½	73,740,806.81	15,899,578.81	8,494,645.81
Treasury notes, adj. serv. cert. series	4	20,590,175.31	33,355,561.64	----------
Treasury notes, civ. serv. ret. series	4	8,416,975.33	6,367,780.83	7,624,273.23
Treasury notes, for. serv. ret. series	4	52,522.63	50,518.35	64,678.69
Treasury notes, Canal Zone ret. series	4	----------	----------	66,385.89
Treasury bills	----------	2,331,970.66	3,535,083.05	8,910,674.75
Treasury certificates	2	----------	----------	[2] 7,243.81
Debt matured as of June 30, 1932:				
Old debt, matured, issued prior to Apr. 1, 1917	----------	21,293.05	4,339.01	3,952.49
Second Liberty loan bonds	4	64,137.30	35,817.00	28,693.00
Second Liberty loan bonds (converted)	4¼	217,515.84	121,868.15	67,382.77
Third Liberty loan bonds	4¼	779,996.69	335,383.54	203,275.13
Victory Liberty loan notes	3¾-4¾	35,120.81	23,073.36	20,410.11
Treasury notes, at various interest rates	----------	15,777.69	39,938,280.38	9,216,847.66
Certificates of indebtedness, at various interest rates	----------	76,162,750.71	34,957,543.89	32,873,998.97
Certificates of indebtedness, adjusted service series	4	----------	970,980.81	3,018,641.12
Treasury savings certificates	----------	513,456.85	[2] 22.50	----------
Thrift and Treasury savings stamps	----------	523,090.98	426,763.61	340,138.68
Total	----------	658,602,154.96	610,758,025.42	599,722,595.24

[1] For details for the fiscal years 1918 to 1929, see annual report for 1929, p. 593.
[2] Deduct excess of credits, collection of interest accruals, and counter warrant adjustments.
[3] Sold on a discount basis.

TABLE 36.—*Amount of interest-bearing debt outstanding on June 30, the computed annual interest charge, and the computed rate of interest, for the fiscal years 1916 to 1932*

June 30—	Interest-bearing debt	Computed annual interest charge	Computed rate of interest
			Per cent
1916	$971,562,590	$23,084,635	2.376
1917	2,712,549,476	83,625,482	3.120
1918	11,985,882,436	468,618,544	3.910
1919	25,234,496,273	1,054,204,509	4.178
1920	24,061,095,361	1,016,592,219	4.225
1921	23,737,352,080	1,029,917,903	4.339
1922	22,711,035,587	962,896,535	4.240
1923	22,007,590,754	927,331,341	4.214
1924	20,981,586,429	876,960,673	4.180
1925	20,210,906,251	829,680,044	4.105
1926	19,383,770,860	793,423,952	4.093
1927	18,250,943,965	722,675,553	3.960
1928	17,317,695,096	671,353,112	3.877
1929	16,638,941,379	656,654,311	3.946
1930	15,921,892,350	606,031,831	3.807
1931	16,519,588,640	588,987,438	3.566
1932	19,161,273,540	671,604,676	3.505

CONDITION OF THE TREASURY EXCLUSIVE OF PUBLIC DEBT LIABILITIES

TABLE 37.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1930, 1931, and 1932*

[On basis of daily Treasury statements (revised), see p. 337]

	1930	1931	1932
GOLD			
Assets:			
Gold coin	$734, 970, 549. 54	$798, 176, 561. 79	$969, 695, 808. 33
Gold bullion	2, 758, 551, 983. 44	2, 897, 902, 307. 20	1, 988, 864, 870. 38
Total	3, 493, 522, 532. 98	3, 696, 078, 868. 99	2, 958, 560, 678. 71
Liabilities:			
Gold certificates	1, 489, 989, 479. 00	1, 701, 514, 389. 00	1, 490, 698, 969. 00
Gold fund, Federal Reserve Board	1, 796, 239, 234. 56	1, 776, 690, 377. 86	1, 235, 736, 771. 58
Gold reserve	156, 039, 088. 03	156, 039, 088. 03	156, 039, 088. 03
Gold in General Fund	51, 254, 731. 39	61, 835, 014. 10	76, 085, 850. 10
Total	3, 493, 522, 532. 98	3, 696, 078, 868. 99	2, 958, 560, 678. 71
SILVER			
Assets: Silver dollars	495, 057, 388. 00	498, 497, 281. 00	501, 022, 745. 00
Liabilities:			
Silver certificates	487, 198, 111. 00	493, 349, 026. 00	487, 216, 201. 00
Treasury notes of 1890	1, 260, 050. 00	1, 239, 750. 00	1, 222, 150. 00
Silver dollars in General Fund	6, 599, 227. 00	3, 908, 505. 00	12, 584, 394. 00
Total	495, 057, 388. 00	498, 497, 281. 00	501, 022, 745. 00
GENERAL FUND			
Assets:			
Gold	51, 254, 731. 39	61, 835, 014. 10	76, 085, 850. 10
Silver dollars	6, 599, 227. 00	3, 908, 505. 00	12, 584, 394. 00
United States notes	2, 847, 706. 00	3, 523, 480. 00	2, 279, 960. 00
Federal reserve notes	1, 726, 070. 00	1, 402, 130. 00	1, 406, 880. 00
Federal reserve bank notes	52, 165. 00	42, 487. 00	26, 298. 00
National bank notes	19, 319, 703. 50	17, 890, 685. 00	16, 578, 916. 50
Subsidiary silver	5, 233, 513. 12	5, 692, 865. 40	8, 490, 555. 75
Minor coin	4, 177, 685. 07	4, 607, 052. 57	4, 755, 770. 67
Silver bullion	6, 622, 158. 31	11, 644, 572. 85	18, 237, 324. 17
Unclassified, collections, etc	869, 693. 92	472, 686. 16	556, 401. 43
Total in Treasury offices	98, 702, 653. 31	111, 019, 478. 08	141, 002, 350. 62
In Federal reserve banks—			
To credit of Treasurer of the United States	26, 524, 266. 32	46, 573, 240. 96	3, 758, 367. 94
In transit	1, 612, 080. 40	821, 101. 86	1, 946, 472. 95
Total in Federal reserve banks	28, 136, 346. 72	47, 394, 342. 82	5, 704, 840. 89
In special depositaries account of sales of Treasury bonds, notes, and certificates	296, 623, 336. 64	413, 121, 488. 64	405, 648, 239. 95
In general and limited depositary banks (except foreign)—			
To credit of Treasurer of the United States	6, 957, 078. 78	6, 961, 902. 51	7, 388, 443. 31
To credit of other Government officers	18, 914, 649. 46	20, 146, 357. 09	18, 415, 160. 97
In transit	1, 455, 539. 23	1, 108, 341. 05	1, 192, 068. 15
Total in depositary banks (except foreign)	27, 327, 267. 47	28, 216, 600. 65	26, 995, 672. 43
In treasury, Philippine Islands—			
To credit of Treasurer of the United States	225, 627. 14	738, 882. 65	577, 374. 23
In transit	276. 53		1, 294. 97
Total in treasury, Philippine Islands	225, 903. 67	738, 882. 65	578, 669. 20
In foreign depositaries—			
To credit of Treasurer of the United States	293, 071. 47	851, 940. 85	61, 646. 25
To credit of other Government officers	1, 319, 067. 67	1, 208, 207. 44	723, 377. 41
In transit	880, 681. 77	1, 016, 930. 94	706, 561. 60
Total in foreign depositaries	2, 492, 820. 91	3, 077, 079. 23	1, 491, 585. 26
Total assets in General Fund	453, 508, 328. 72	603, 570, 872. 07	581, 421, 358. 35

TABLE 37.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1930, 1931, and 1932*—Continued

	1930	1931	1932
GENERAL FUND—continued			
Liabilities:			
Deposits—			
Redemption of Federal reserve notes (5 per cent fund, gold)	$36, 675, 622. 56	$30, 166, 138. 13	$59, 689, 661. 26
Redemption of national bank notes (5 per cent fund, lawful money)	28, 226, 376. 32	29, 415, 523. 48	29, 849, 699. 78
Retirement of additional circulating notes, act of May 30, 1908	1, 900. 00	1, 350. 00	1, 350. 00
Board of trustees, Postal Savings System	9, 142, 427. 03	20, 673, 996. 23	42, 255, 971. 16
Total redemption and trust funds in the General Fund	74, 046, 325. 91	80, 257, 007. 84	131, 796, 682. 20
Uncollected items, exchanges, etc	1, 724, 064. 83	633, 558. 67	1, 236, 569. 94
Treasurer's checks outstanding	645, 381. 46	561, 878. 85	582, 932. 81
Post Office Department balance	9, 846, 556. 48	7, 700, 491. 93	5, 480, 031. 36
Balance to credit of postmasters, clerks of courts, etc	54, 463, 085. 01	57, 834, 242. 26	51, 120, 013. 02
Total liabilities, General Fund	66, 679, 087. 78	66, 733, 171. 71	58, 419, 547. 13
Balance in General Fund [1]	312, 782, 915. 03	456, 580, 692. 52	391, 205, 129. 02
Total	453, 508, 328. 72	603, 570, 872. 07	581, 421, 358. 35

[1] Balances in General Fund for years 1791 to 1922 are shown on p. 481 of the annual report for the fiscal year 1922.

TABLE 38.—*Net balance in the General Fund at the end of each month from July, 1928 to September, 1932* [1]

[On basis of daily Treasury statements (unrevised), see p. 337]

End of month	Fiscal year				
	1929	1930	1931	1932	1933
July	$116, 750, 284	$150, 932, 756	$188, 275, 986	$273, 331, 614	$144, 951, 863
August	190, 148, 218	88, 365, 247	103, 667, 155	133, 791, 198	338, 731, 250
September	209, 858, 208	407, 637, 361	331, 163, 294	602, 778, 618	862, 119, 223
October	210, 237, 265	204, 512, 841	203, 056, 867	292, 062, 263	------------
November	91, 026, 729	123, 894, 244	83, 787, 586	149, 744, 876	------------
December	269, 543, 968	172, 996, 078	306, 803, 320	474, 689, 559	------------
January	131, 445, 500	98, 928, 297	155, 792, 897	339, 929, 501	------------
February	73, 846, 143	54, 262, 505	150, 397, 680	375, 859, 437	------------
March	427, 807, 235	368, 767, 815	542, 428, 597	647, 420, 773	------------
April	225, 168, 563	156, 637, 720	330, 797, 827	292, 465, 209	------------
May	138, 227, 607	104, 609, 591	41, 060, 314	383, 877, 525	------------
June	326, 713, 003	318, 607, 168	471, 943, 983	417, 197, 178	------------

[1] For monthly figures back to October, 1915, see annual report for 1930, p. 598.

TABLE 39.—*Securities owned by the United States Government, June 30, 1932* [1]

Foreign obligations:
Funded bonds—
Under the debt funding agreements as authorized by the acts of Congress approved Feb. 9, 1922, Feb. 28, 1923, Mar. 12, 1924, May 23, 1924, Dec. 22, 1924, Apr. 28, 1926, Apr. 30, 1926, May 3, 1926, Mar. 30, 1928, Feb. 4, 1929, Feb. 14, 1929, and Dec. 18, 1929:

	Principal amount held
Austria	$23, 752, 217. 00
Belgium	400, 680, 000. 00
Estonia	16, 466, 012. 87
Finland	8, 604, 000. 00
France	3, 863, 650, 000. 00
Great Britain	4, 398, 000, 000. 00

[1] This statement is made up on the basis of the face value of the securities therein described as received by the United States, with due allowance for repayments. To the extent that the securities are not held in the custody of the Treasury, the statement is made up from reports received from other Government departments and establishments.

TABLE 39.—*Securities owned by the United States Government, June 30, 1932*—Con.

		Principal amount held	
Foreign obligations—Continued.			
Funded bonds—Continued.			
Under the debt funding agreements, etc.—Continued.			
Greece		$31,516,000.00	
Hungary		1,908,560.00	
Italy		2,004,900,000.00	
Latvia		6,888,664.20	
Lithuania		6,197,682.00	
Poland		206,057,000.00	
Rumania [2]		63,860,560.43	
Serbs, Croats, and Slovenes		61,625,000.00	
			$11,094,105,696.50
Unfunded obligations [3]—			
For cash advances made under authority of acts of Congress approved Apr. 24, 1917, and Sept. 24, 1917, as amended—			
Czechoslovakia [4]		61,974,041.10	
Russia		187,729,750.00	
			249,703,791.10
For surplus war supplies sold on credit by Secretary of War under authority of acts of Congress approved July 9, 1918, and June 5, 1920—			
Czechoslovakia [4]		20,604,302.49	
Nicaragua		290,627.99	
Russia		406,082.30	
			21,301,012.78
For relief supplies sold on credit by American Relief Administration under authority of act of Congress approved Feb. 25, 1919—			
Armenia		8,028,412.15	
Czechoslovakia [4]		6,428,089.19	
Russia		4,465,465.07	
			18,921,966.41
For relief supplies sold on credit by United States Grain Corporation under authority of act of Congress approved Mar. 30, 1920—			
Armenia		3,931,505.34	
Czechoslovakia [4]		2,873,238.25	
			6,804,743.59
			11,390,837,210.38
German bonds—			
For account of reimbursements of the costs of the United States Army of Occupation and the awards of the Mixed Claims Commission, under the funding agreement of June 23, 1930, as authorized by the act of Congress approved June 5, 1930 (bonds are in reichsmarks, which for the purpose of this statement are converted at 23.82 cents to the reichsmark)—			
Army costs	R.M.997,500,000	$237,604,500.00	
Mixed claims [5] R.M.2,040,000,000			
Private awards (estimated) 1,415,000,000			
Government awards (estimated)	625,000,000	148,875,000.00	
	R.M.1,622,500,000		386,479,500.00
Total foreign obligations			11,777,316,710.38
Capital stock of war emergency corporations:			
Capital stock of Emergency Fleet Corporation [6]		50,000,000.00	
Less cash deposited with the Treasurer of the United States to the credit of the corporation		27,064,646.26	
			22,935,353.74
Capital stock of the United States Housing Corporation, issued		70,000,000.00	
Less amount retired plus cash deposits covered into Treasury under act approved July 11, 1919		43,521,001.32	
			26,478,998.68
Capital stock of the United States Spruce Production Corporation			99,993.00

[2] Original amount ($66,560,560.43) included bonds aggregating $21,970,560.43, representing interest accruing and remaining unpaid during first 14 years, payment of which, under the funding agreement, is extended over the last 48 years.

[3] The figures do not include interest accrued and unpaid.

[4] Indebtedness of Czechoslovakia has been funded under the agreement of Oct. 13, 1925, but the original obligations have not been exchanged for the new bonds of that Government.

[5] Division of German bonds between private awards and Government awards is an estimate based upon best information available at this time. When the Mixed Claims Commission has completed its duties, a more accurate division may be made. Awards generally bear interest at 5 per cent per annum. Bonds do not bear interest, but the aggregate face amount thereof will be sufficient to cover payment of the principal and interest due on the total awards finally entered by the Mixed Claims Commission. Bonds for private awards are held in trust, the proceeds thereof when received at maturity to be distributed by the Treasury to the claimants. Bonds mature on Mar. 31 and Sept. 30, of each year in the principal amount of R.M. 20,400,000 each. No payments are to be made on Government awards until all private awards are paid in full.

[6] Now United States Shipping Board Merchant Fleet Corporation (act Feb. 11, 1927, 44 Stat. 1083)

TABLE 39.—*Securities owned by the United States Government, June 30, 1932*—Con.

		Principal amount held	
Capital stock of war emergency corporations—Continued			
War Finance Corporation (in liquidation)—			
Capital stock outstanding		$10,000.00	
Offset by cash on deposit with Treasurer of United States to credit of the corporation		136,772.55	
Reconstruction Finance Corporation:			
Capital stock	500,000,000		
Interim 3½ per cent notes various dates, due Oct. 27, 1932	350,000,000		
		850,000,000.00	
Less cash deposited with the Treasurer of the United States to the credit of the corporation		82,264,791.45	
			$767,735,208.55
Equipment Trust 6 per cent gold notes, acquired by Director General of Railroads pursuant to Federal control act of Mar. 21, 1918, as amended, and act approved Nov. 19, 1919, to provide for the reimbursement of the United States for motive power, cars, and other equipment ordered for carriers under Federal control:			
Minneapolis & St. Louis Railroad Co			100,800.00
Obligations of carriers acquired pursuant to section 207 of the transportation act, approved Feb. 28, 1920, as amended:			
Chicago, Milwaukee, St. Paul & Pacific R. R. Co		3,207,000.00	
Kansas, Oklahoma & Gulf Railway Co		212,300.00	
Minneapolis & St. Louis Railroad Co		1,250,000.00	
Washington, Brandywine & Point Lookout Railroad Co		50,000.00	
Waterloo, Cedar Falls & Northern Railway Co		500,000.00	
			5,219,300.00
Obligations of carriers acquired pursuant to section 210 of the transportation act, approved Feb. 28, 1920, as amended:			
Alabama, Tennessee & Northern Railroad Corporation		151,500.00	
Aransas Harbor Terminal Railway		44,304.67	
Charles City Western Railway Co		140,000.00	
Chicago & Western Indiana Railroad Co		6,169,000.00	
Des Moines & Central Iowa Railroad, formerly the Inter-Urban Railway Co		633,500.00	
Fernwood, Columbia & Gulf Railroad Co		16,000.00	
Fort Dodge, Des Moines & Southern Railroad Co		200,000.00	
Gainesville & Northwestern Railroad Co		75,000.00	
Georgia & Florida Railway, Receivers of		792,000.00	
Greene County Railroad Co		6,000.00	
Minneapolis & St. Louis Railroad Co		1,382,000.00	
Missouri & North Arkansas Railway Co		3,500,000.00	
National Railway Service Corporation		1,854,548.43	
Salt Lake & Utah Railroad Co		872,600.00	
Seaboard Air Line Railway Co		14,443,887.84	
Seaboard Bay Line Co		1,256,000.00	
Shearwood Railway Co		7,500.00	
Toledo, St. Louis & Western Railroad Co., Receiver of		186,000.00	
Virginia Blue Ridge Railway Co		106,000.00	
Virginia Southern Railroad Co		38,000.00	
Waterloo, Cedar Falls & Northern Railway Co		1,260,000.00	
Wichita Northwestern Railway Co		381,750.00	
Wilmington, Brunswick & Southern Railroad Co		90,000.00	
			33,605,590.91
Capital stock of the Panama Railroad Co			7,000,000.00
Capital stock of the Inland Waterways Corporation (acquired pursuant to the act approved June 3, 1924)			12,000,000.00
Capital stock of the Federal land banks (on basis of purchases, less repayments to date):			
Springfield, Mass		74,425.00	
Berkeley, Calif		101,514.25	
			175,939.25
Capital stock of Federal land banks, act of Jan. 23, 1932:			
Springfield, Mass		6,654,765.00	
Baltimore, Md		6,742,120.00	
Columbia, S. C		13,188,455.00	
Louisville, Ky		8,230,670.00	
New Orleans, La		12,880,760.00	
St. Louis, Mo		9,643,870.00	
St. Paul, Minn		19,135,050.00	
Omaha, Nebr		9,729,500.00	
Wichita, Kans		7,153,745.00	
Houston, Tex		9,520,655.00	
Berkeley, Calif		7,211,175.00	
Spokane, Wash		14,909,235.00	
			125,000,000.00
Capital stock of Federal intermediate credit banks acquired pursuant to the agricultural credits act of 1923, approved Mar. 4, 1923:			
Springfield, Mass		2,000,000.00	
Baltimore, Md		2,000,000.00	
Columbia, S. C		5,000,000.00	
Louisville, Ky		2,000,000.00	
New Orleans, La		2,000,000.00	
St. Louis, Mo		2,000,000.00	
St. Paul, Minn		2,000,000.00	
Omaha, Nebr		2,000,000.00	
Wichita, Kans		2,000,000.00	
Houston, Tex		3,000,000.00	

TABLE 39.—*Securities owned by the United States Government, June 30, 1932*—Con.

	Principal amount held	
Capital stock of Federal intermediate credit banks acquired pursuant to the agricultural credits act of 1923, approved Mar. 4, 1923—Con.		
Berkeley, Calif	$5,000,000.00	
Spokane, Wash	3,000,000.00	
		$32,000,000.00
Notes received by the Federal Farm Board evidencing outstanding advances made from the revolving fund created by the agricultural marketing act		487,307,249.59
Securities received by the Secretary of War on account of sales of surplus war supplies		828,000.00
Securities received by the Secretary of the Navy on account of sales of surplus property		4,938,253.60
Securities received by the United States Shipping Board on account of sales of ships, etc.		138,850,571.87
Grand total		13,441,591,969.60

MEMORANDUM

Amount due the United States from the Central Branch of the Union Pacific Railroad on account of bonds issued (Pacific Railroad aid bonds, acts approved July 1, 1862, July 2, 1864, and May 7, 1878):	
Principal	1,600,000.00
Interest	1,751,539.35
Total	3,351,539.35

TRANSACTIONS WITH RAILROADS

TABLE 40.—*Obligations of carriers acquired pursuant to section 207 of the transportation act, 1920, as amended, receipts [1] on account of principal, and obligations outstanding June 30, 1932*

Carrier	Obligations originally acquired	Receipts on account of principal prior to June 30, 1930 [1]	Obligations outstanding June 30, 1932
Ann Arbor R. R. Co	$550,000	$550,000	
Baltimore & Ohio R. R. Co	9,000,000	9,000,000	
Bangor & Aroostook R. R. Co	325,000	325,000	
Boston & Maine R. R	1,030,000	1,030,000	
Central Vermont Ry. Co	700,000	700,000	
Chartiers Southern Ry. Co	400,000	400,000	
Chesapeake & Ohio Ry. Co	9,200,000	9,200,000	
Chicago & Eastern Illinois Ry. Co	3,425,000	3,425,000	
Chicago Great Western R. R. Co	950,000	950,000	
Chicago, Milwaukee & St. Paul Ry. Co. (now Chicago, Milwaukee, St. Paul & Pacific R. R. Co.)	20,207,000	17,000,000	$3,207,000
Chicago, Rock Island & Pacific Ry. Co	8,000,000	8,000,000	
Cleveland, Cincinnati, Chicago & St. Louis Railway Co	3,500,000	3,500,000	
Delaware & Hudson Co	1,500,000	1,500,000	
Detroit, Toledo & Ironton R. R. Co	700,000	700,000	
Erie R. R. Co	8,725,000	8,725,000	
Gulf, Mobile & Northern R. R. Co	480,000	480,000	
Hocking Valley Ry. Co	700,000	700,000	
International & Great Northern Ry. Co., receiver	2,400,000	2,400,000	
Kansas, Oklahoma & Gulf Ry. Co	1,629,337	1,416,837	212,500
Maine Central R. R. Co	750,000	750,000	
Minneapolis & St. Louis R. R. Co	1,250,000		1,250,000
Missouri-Kansas-Texas R. R. Co	4,750,000	4,750,000	
Missouri Pacific R. R. Co	3,000,000	3,000,000	
Monongahela Ry. Co	1,900,000	1,900,000	
New York Central Railroad Co	26,500,000	26,500,000	
New York, Chicago & St. Louis R. R. Co	1,000,000	1,000,000	
New York, New Haven & Hartford R. R. Co	64,316,500	64,316,500	
New York, Susquehanna & Western R. R. Co	100,000	100,000	
Norfolk Southern R. R. Co	200,000	200,000	
Pennsylvania R. R. Co	70,225,000	70,225,000	
Pittsburgh, Cincinnati & St. Louis R. R. Co	18,250,000	18,250,000	
Seaboard Air Line Ry. Co	2,000,000	2,000,000	
St. Louis-San Francisco Ry. Co	3,000,000	3,000,000	
St. Louis Southwestern Ry. Co	700,000	700,000	
Texas & Pacific Ry. Co	4,400,000	4,400,000	
Virginian Ry. Co	2,000,000	2,000,000	
Wabash Ry. Co	1,500,000	1,500,000	
Washington, Brandywine & Point Lookout R. R. Co	50,000		50,000
Waterloo, Cedar Falls & Northern Ry. Co	500,000		500,000
Western Maryland Ry. Co	2,000,000	2,000,000	
Wheeling & Lake Erie Ry. Co	900,000	900,000	
Total	282,712,837	277,493,337	5,219,500

NOTE.—Table revised to include obligations collected by the Director General of Railroads.

[1] No receipts during 1931 and 1932.

TABLE 41.—*Obligations held on June 30, 1931 and 1932, on account of loans [1] to carriers under section 210 of the transportation act, 1920, as amended, and repayments on such loans during the fiscal year 1932, together with cumulative figures showing the total amount of loans and repayments to June 30, 1932*

Carrier	Loans outstanding June 30, 1931 [1]	Repayments, fiscal year, 1932	Loans outstanding June 30, 1932
Alabama, Tennessee & Northern R. R. Corporation	$151, 500. 00		$151, 500. 00
Aransas Harbor Terminal Ry	41, 304. 67		41, 304. 67
Charles City Western Ry. Co	140, 000. 00		140, 000. 00
Chicago & Western Indiana R. R. Co	6, 169, 000. 00		6, 169, 000. 00
Des Moines & Central Iowa R. R. Co. (formerly the Interurban Ry. Co.)	633, 500. 00		633, 500. 00
Fernwood, Columbia & Gulf R. R. Co	18, 000. 00	$2, 000. 00	16, 000. 00
Fort Dodge, Des Moines & Southern R. R. Co	200, 000. 00		200, 000. 00
Gainesville & Northwestern R. R. Co	75, 000. 00		75, 000. 00
Georgia & Florida Ry. (receiver)	792, 000. 00		792, 000. 00
Greene County R. R. Co	6, 000. 00		6, 000. 00
Minneapolis & St. Louis R. R. Co	1, 382, 000. 00		1, 382, 000. 00
Missouri & North Arkansas Ry. Co	3, 500, 000. 00		3, 500, 000. 00
National Railway Service Corporation account:			
Minneapolis & St. Louis R. R. Co	230, 252. 12	36, 083. 77	194, 168. 35
Wheeling & Lake Erie Ry. Co	1, 969, 265. 41	308, 885. 33	1, 660, 380. 08
Salt Lake & Utah R. R. Co	872, 600. 00		872, 600. 00
Seaboard Air Line Ry. Co	14, 413, 887. 84		14, 413, 887. 84
Seaboard-Bay Line Co	1, 845, 000. 00	589, 000. 00	1, 256, 000. 00
Shearwood Ry. Co	8, 672. 81	1, 172. 81	7, 500. 00
Toledo, St. Louis & Western R. R. Co	232, 000. 00	46, 000. 00	186, 000. 00
Virginia Blue Ridge Ry. Co	106, 000. 00		106, 000. 00
Virginia Southern R. R. Co	38, 000. 00		38, 000. 00
Waterloo, Cedar Falls & Northern Ry. Co	1, 260, 000. 00		1, 260, 000. 00
Wichita, Northwestern Ry. Co	381, 750. 00		381, 750. 00
Wilmington, Brunswick & Southern R. R. Co	90, 000. 00		90, 000. 00
Total	34, 588, 732. 85	983, 141. 91	33, 605, 590. 94
Cumulative totals, all companies, to June 30, 1932:			
Loans			350, 600, 667. 00
Repayments			316, 995, 076. 06
Loans outstanding June 30, 1932			33, 605, 590. 94

[1] No new loans were made during 1932 because the time for making application had expired.

STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

TABLE 42.—*Stock of money, money in the Treasury, in the Federal reserve banks, and in circulation at the end of each fiscal year from 1913 to 1932* [1]

[000 omitted, except per capita figures]

June 30—	Stock of money	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total [2]	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal reserve banks and agents	All other	Total	Held by Federal reserve banks and agents	In circulation		
									Amount	Per capita	
1913	$3,777,021	$1,834,112	$1,475,783	$150,000		$208,329	$3,418,692		$3,418,692	$35.12	97,337
1914	3,797,825	1,845,570	1,507,179	150,000		188,391	3,459,434		3,459,434	31.93	99,027
1915	4,050,783	1,967,665	1,619,129	152,977		195,559	3,702,547	$382,965	3,319,582	32.96	100,725
1916	4,541,730	2,356,536	2,057,409	152,979		146,147	4,242,603	593,345	3,649,258	35.63	102,431
1917	5,678,771	2,859,396	2,063,391	152,979	$526,295	116,731	4,882,769	816,365	4,066,404	39.05	104,145
1918	6,906,237	2,976,251	1,407,694	152,979	1,205,082	210,496	5,337,681	855,984	4,481,697	42.33	105,869
1919	7,688,413	2,907,812	906,673	152,979	1,416,086	432,074	5,687,275	810,636	4,876,638	45.95	106,136
1920	8,158,496	2,379,661	704,638	152,979	1,184,276	337,771	6,483,470	1,015,881	5,467,589	51.38	106,422
1921	8,174,528	2,921,089	919,613	152,979	1,537,857	310,610	6,173,082	1,262,089	4,910,992	45.29	108,445
1922	8,276,070	3,515,583	1,000,578	152,979	2,108,887	253,139	5,761,965	1,298,793	4,463,172	40.61	109,893
1923	8,702,788	3,821,846	1,150,168	152,979	2,285,170	233,529	6,031,111	1,207,836	4,823,275	43.18	111,693
1924	8,846,542	4,248,438	1,628,139	152,979	2,260,891	206,429	6,226,243	1,376,935	4,849,307	42.64	113,727
1925	8,299,382	4,176,381	2,059,799	153,621	1,752,741	210,217	6,182,799	1,367,591	4,815,208	41.73	115,378
1926	8,428,971	4,210,358	2,139,770	154,189	1,717,348	199,050	6,358,384	1,473,118	4,885,266	41.71	117,136
1927	8,667,282	4,159,656	2,096,205	155,421	1,712,003	195,127	6,604,431	1,753,110	4,851,321	40.90	118,628
1928	8,118,091	3,725,650	1,986,761	156,039	1,387,650	195,200	6,379,202	1,582,576	4,796,626	39.97	120,013
1929	8,538,796	3,789,886	1,854,373	156,039	1,562,126	217,049	6,603,283	1,856,986	4,746,297	39.08	121,455
1930	8,306,564	4,021,937	1,978,448	156,039	1,796,239	91,211	6,263,075	1,741,087	4,521,988	36.71	123,191
1931	9,079,624	4,227,735	2,196,103	156,039	1,776,901	98,692	7,047,992	2,226,659	4,821,933	38.86	[3] 124,070
1932	9,004,505	3,493,122	1,979,137	156,039	1,235,737	122,209	7,490,520	1,795,349	5,695,171	45.63	[3] 121,822

[1] The figures in this table differ from the monthly circulation statements for the following reasons: (a) Beginning June 30, 1922, the form of circulation statement was revised so as to include in the holdings of the Federal reserve banks and agents, and hence in the stock of money, gold bullion and foreign gold coin held by the Federal reserve banks and agents, and to include in the holdings of the Federal reserve banks and agents, and hence exclude from money in circulation, all forms of money held by the Federal reserve banks and agents, whether as reserve against Federal reserve notes or otherwise. For the sake of comparability the figures in this table for earlier years have been revised to include these changes. For full explanation of this revision, see annual report for 1922, p. 133. (b) The form of the circulation statement was revised again beginning Dec 31, 1927, so as to exclude earmarked gold coin from the stock of money, and hence from money in circulation, to include in the holdings of the Federal reserve banks and agents, and hence in the stock of money, gold held abroad for the account of the Federal reserve banks; and to include in all categories, minor coin (the bronze 1-cent piece and the nickel 5-cent piece). Beginning on Dec. 31, 1927, the circulation statement is dated for the end of the month instead of the beginning of the succeeding month, as was the practice theretofore, and figures on the revised daily Treasury statement basis for "money held in the Treasury" instead of the unrevised basis are used. For the sake of comparability the figures in this table for earlier years have been revised to include the changes. For full explanation of this revision, see annual report for 1928, pp. 70-71, and for figures for years prior to 1913, pp. 550-551.

[2] The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from these totals before combining them with total money outside of the Treasury to arrive at the stock of money in the United States.

[3] Revised.

TABLE 43.—*Stock of money, by kinds, at the end of each fiscal year from 1913 to 1932* [1]

[In thousands]

June 30—	Gold coin and bullion [2]	Standard silver dollars	Subsidiary silver	United States notes [3]	Minor coin	Federal reserve notes [3]	Federal reserve bank notes [3]	National bank notes [3]	Total	Percentage of gold to total money
1913	$1,870,762	$568,273	$175,196	$346,681	$56,951			$759,158	$3,777,021	49.53
1914	1,890,657	568,272	182,007	346,681	59,536			750,672	3,797,825	49.78
1915	1,985,539	568,272	185,430	346,681	61,327	$84,261		819,274	4,050,783	49.02
1916	2,444,636	568,271	188,890	346,681	63,909	176,168	$9,000	744,175	4,541,730	53.83
1917	3,220,242	568,270	198,275	346,681	69,688	547,408	12,790	715,420	5,678,774	56.71
1918	3,162,808	499,516	231,857	346,681	78,146	1,847,580	15,444	724,205	6,906,237	45.80
1919	3,113,306	308,146	242,870	346,681	82,909	2,687,557	187,667	719,277	7,688,413	40.49
1920	2,865,482	268,857	258,855	346,681	92,479	3,405,877	201,226	719,038	8,158,496	35.12
1921	3,271,730	288,788	271,314	346,681	98,522	3,000,430	150,772	743,290	8,171,528	40.06
1922	3,784,652	381,174	271,211	346,681	98,593	2,555,062	80,195	758,202	8,276,070	45.73
1923	4,049,554	491,887	269,186	346,681	99,056	2,676,902	22,083	747,140	8,702,788	46.53
1924	4,488,391	503,755	277,614	346,681	102,415	2,339,048	10,596	778,012	8,846,542	50.74
1925	4,360,382	522,061	283,472	346,681	101,001	1,942,240	7,176	733,366	8,299,382	52.54
1926	4,417,397	533,491	228,923	346,681	108,891	1,995,206	5,713	702,669	8,428,971	52.76
1927	4,587,298	537,914	295,590	346,681	113,295	2,077,473	4,854	704,146	8,667,282	52.93
1928	4,109,163	539,962	299,010	346,681	116,689	2,002,811	4,155	699,621	8,118,091	50.62
1929	4,324,351	539,961	304,187	346,681	120,640	2,194,970	3,711	704,294	8,538,796	50.64
1930	4,534,866	539,960	310,978	346,681	126,001	1,746,501	3,260	698,317	8,306,564	54.59
1931	4,955,921	539,958	308,619	346,681	126,887	2,101,578	2,974	697,004	9,079,624	54.58
1932	3,918,596	510,008	304,883	346,681	126,493	3,028,397	2,772	736,674	9,004,505	43.52

[1] See note 1, p. 433. For figures for years prior to 1913, see annual report for 1928, pp. 552-553.

[2] Does not include gold bullion and foreign coin outside of the vaults of the Treasury, Federal reserve banks, and Federal reserve agents, except gold held abroad for the account of the Federal reserve banks. Excludes earmarked gold coin and bullion. (See note 1, p. 433.)

[3] Gold certificates are secured dollar for dollar by gold held in the Treasury for their redemption; silver certificates are secured dollar for dollar by standard silver dollars held in the Treasury for their redemption; United States notes are secured by a gold reserve of $156,039,088 held in the Treasury. This reserve fund may also be used for the redemption of Treasury notes of 1890, which are also secured dollar for dollar by standard silver dollars held in the Treasury; these notes are being canceled and retired on receipt. Federal reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal reserve bank. Federal reserve notes are secured by the deposit with Federal reserve agents of a like amount of gold or of gold and such discounted or purchased paper as is eligible under the terms of the Federal reserve act, or, from Feb. 27, 1932, until Mar. 3, 1933, of direct obligations of the United States if so authorized by a majority vote of the Federal Reserve Board. Federal reserve banks must maintain a gold reserve of at least 40 per cent, including the gold redemption fund which must be deposited with the United States Treasurer, against Federal reserve notes in actual circulation. Lawful money has been deposited with the Treasurer of the United States for retirement of all outstanding Federal reserve bank notes. National bank notes are secured by United States bonds except where lawful money has been deposited with the Treasurer of the United States for their retirement. A 5 per cent fund is also maintained in lawful money with the Treasurer of the United States for the redemption of national bank notes secured by Government bonds.

TABLE 44.—*Money in circulation, by kinds, at the end of each fiscal year from 1913 to 1932* [1]

[In thousands]

June 30—	Gold coin	Gold certificates [2]	Standard silver dollars	Silver certificates [2]	Treasury notes of 1890 [2]	Subsidiary silver	United States notes [2]	Federal reserve notes [2]	Minor coin	Federal reserve bank notes [2]	National bank notes [2]	Total
1913	$608, 401	$1, 003, 998	$72, 127	$469, 129	$2, 657	$154, 458	$337, 215	----------	$54, 954	----------	$715, 754	$3, 418, 692
1914	611, 545	1, 026, 149	70, 300	478, 602	2, 428	159, 966	337, 846	----------	57, 419	----------	715, 180	3, 459, 434
1915	587, 537	821, 869	64, 499	463, 147	2, 245	159, 043	309, 796	$70, 810	58, 516	----------	782, 120	3, 319, 582
1916	624, 939	1, 050, 266	66, 234	476, 279	2, 098	171, 178	323, 227	149, 152	62, 998	$1, 683	716, 204	3, 649, 258
1917	666, 545	1, 082, 926	71, 754	468, 365	1, 970	193, 745	311, 595	506, 756	68, 411	3, 702	690, 635	4, 066, 404
1918	537, 230	511, 190	77, 201	370, 349	1, 851	216, 452	291, 859	1, 698, 190	74, 958	10, 970	691, 407	4, 481, 697
1919	474, 875	327, 552	79, 041	163, 445	1, 745	229, 316	274, 119	2, 450, 278	81, 780	155, 014	639, 472	4, 876, 638
1920	474, 822	259, 007	76, 749	97, 606	1, 656	248, 863	278, 144	3, 064, 742	90, 958	185, 431	689, 608	5, 467, 589
1921	447, 272	200, 582	65, 883	158, 843	1, 576	235, 295	259, 170	2, 599, 598	91, 409	129, 942	721, 421	4, 910, 992
1922	415, 937	173, 342	57, 973	265, 335	1, 510	229, 310	292, 313	2, 138, 715	89, 157	71, 868	727, 681	4, 463, 172
1923	404, 181	386, 456	57, 262	364, 258	1, 460	217, 307	302, 749	2, 234, 600	93, 897	19, 969	711, 076	4, 823, 275
1924	393, 330	801, 381	54, 015	364, 414	1, 423	252, 995	297, 790	1, 843, 106	96, 952	10, 066	733, 835	4, 849, 307
1925	402, 297	1, 004, 823	54, 289	382, 780	1, 387	262, 009	282, 578	1, 636, 108	100, 307	6, 921	681, 709	4, 815, 208
1926	391, 703	1, 057, 371	51, 577	377, 741	1, 356	270, 072	291, 916	1, 679, 407	104, 194	5, 453	651, 477	4, 885, 266
1927	384, 957	1, 007, 075	48, 717	375, 798	1, 327	275, 605	292, 205	1, 702, 843	108, 132	4, 606	650, 057	4, 851, 321
1928	377, 028	1, 019, 149	46, 222	384, 577	1, 304	278, 175	298, 438	1, 626, 433	111, 061	4, 029	650, 212	4, 796, 626
1929	368, 488	934, 994	43, 684	387, 073	1, 283	284, 226	262, 188	1, 692, 721	115, 210	3, 616	652, 812	4, 746, 297
1930	357, 236	994, 841	38, 629	386, 915	1, 260	281, 231	288, 389	1, 402, 066	117, 436	3, 206	650, 779	4, 521, 988
1931	363, 020	996, 510	34, 326	377, 149	1, 240	273, 147	299, 427	1, 708, 429	117, 393	2, 929	648, 363	4, 821, 933
1932	452, 763	715, 683	30, 115	352, 605	1, 222	256, 220	289, 076	2, 780, 229	113, 619	2, 746	700, 891	5, 695, 171

[1] See note 1, p. 433. For figures for years prior to 1913, see annual report for 1928, pp. 554-555.

[2] For description of security held for redemption, see note 3, p. 434.

TABLE 45.—*Stock of money, money in the Treasury, in the Federal reserve banks, and in circulation, by kinds, June 30, 1932*

Kind of money	Stock of money [1]	Money held in the Treasury: Total	Money held in the Treasury: Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Money held in the Treasury: Reserve against United States notes (and Treasury notes of 1890)	Money held in the Treasury: Held for Federal reserve banks and agents	Money held in the Treasury: All other	Money outside of the Treasury: Total [1]	Money outside of the Treasury: Held by Federal reserve banks and agents [2]	In circulation [3]: Amount [1]	In circulation [3]: Per capita [1]	Population of continental United States (estimated)
Gold coin and bullion	[4] $3,918,595,817	$2,958,560,679	$1,490,698,969	$156,039,088	$1,235,736,772	$76,085,850	$960,035,138	$507,272,104	$452,763,034	$3.63	
Gold certificates	[5] (1,490,698,969)						1,490,698,969	775,015,730	715,683,239	5.73	
Standard silver dollars	540,007,911	501,022,745	488,438,351			12,584,394	38,985,166	8,870,620	30,114,546	.24	
Silver certificates	[5] (487,216,201)						487,216,201	134,611,482	352,604,719	2.83	
Treasury notes of 1890	[5] (1,222,150)						1,222,150		1,222,150	.01	
Subsidiary silver	301,882,996	8,490,556				8,490,556	296,392,440	40,172,383	256,220,057	2.05	
Minor coin	126,493,326	4,755,771				4,755,771	121,737,555	8,118,336	113,619,219	.91	
United States notes	346,681,016	2,279,960				2,279,960	344,401,056	55,325,512	289,075,544	2.32	
Federal reserve notes	3,028,397,215	1,406,880				1,406,880	3,026,990,335	246,760,965	2,780,229,370	22.27	
Federal reserve bank notes	2,772,040	26,298				26,298	2,745,742	100	2,745,642	.02	
National bank notes	736,674,213	16,578,916				16,578,916	720,095,297	19,201,442	700,893,855	5.62	
Total June 30, 1932	9,004,504,531	[6] 3,493,121,805	1,979,137,320	156,039,088	1,235,736,772	[7] 122,208,625	7,490,520,049	1,795,348,674	5,695,171,375	45.63	[1] 121,822,000
Comparative totals:											
May 31, 1932	8,977,167,490	[6] 3,743,773,285	1,896,717,933	156,039,088	1,566,379,099	124,637,165	7,130,112,138	1,650,485,618	5,479,626,520	43.92	124,759,000
June 30, 1931	9,079,623,698	[6] 4,227,734,850	2,196,103,165	156,039,088	1,776,690,378	98,902,219	7,047,992,013	2,226,058,715	4,821,933,298	38.86	[1] 124,070,000
Oct. 31, 1920	8,479,620,824	[6] 2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.21	107,096,005
Mar. 31, 1917	5,396,596,677	[6] 2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000
June 30, 1914	3,797,825,099	[6] 1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.93	99,027,000
Jan. 1, 1879	1,007,084,483	[6] 212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

[1] Revised.
[2] Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.
[3] Includes paper currency held outside the continental limits of the United States.
[4] Does not include gold bullion or foreign coin other than that held by the Treasury, Federal reserve banks, and Federal reserve agents. Gold held by Federal reserve banks under earmark for foreign account is excluded, and gold held abroad for Federal reserve banks is included.
[5] These amounts are not included in the total since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.
[6] The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from this total before combining it with total money outside of the Treasury to arrive at the stock of money in the United States.
[7] This total includes $59,689,661 gold deposited for the redemption of Federal reserve notes ($1,088,640 in process of redemption), $29,849,700 lawful money deposited for the redemption of national bank notes ($16,549,164 in process of redemption, including notes chargeable to the retirement fund), $1,350 lawful money deposited for the retirement of additional circulation (Act of May 30, 1908), and $16,861,073 lawful money deposited as a reserve for postal savings deposits.

NOTE.—For description of security held for redemption of paper currency, see note 3, p. 434.

MISCELLANEOUS

TABLE 46.—*Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1932*

Country	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness [1]			
			Indebtedness		Payments on account		Indebtedness		Payments on account	
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia	$19, 617, 103. 49						$11, 959, 917. 49	$7, 657, 186. 00		
Austria	23, 752, 217. 00	$862, 668. 00	$23, 752, 217. 00		$862, 668. 00					
Belgium	404, 430, 000. 00	52, 191, 273. 21	400, 680, 000. 00	$3, 750, 000. 00	17, 100, 000. 00	$14, 490, 000. 00			$2, 057, 630. 37	$18, 543, 642. 87
Cuba		12, 286, 751. 58							10, 000, 000. 00	2, 286, 751. 58
Czechoslovakia	[2] 167, 071, 023. 07	18, 304, 178. 09	167, 071, 023. 07		18, 000, 000. 00					304, 178. 09
Estonia	16, 958, 373. 06	1, 248, 432. 07	16, 466, 012. 87	492, 360. 19		1, 246, 990. 19				1, 441. 88
Finland	8, 861, 295. 00	2, 954, 685. 27	8, 604, 000. 00	257, 295. 00	396, 000. 00	2, 249, 370. 00				309, 315. 27
France	3, 902, 286, 500. 00	486, 075, 891. 00	3, 863, 650, 000. 00	38, 636, 500. 00	161, 350, 000. 00	38, 650, 000. 00			64, 689, 588. 18	221, 386, 302. 82
Great Britain	4, 529, 520, 000. 00	1, 911, 798, 298. 67	4, 398, 000, 000. 00	131,520,000.00	202, 000, 000. 00	1, 149, 720, 000. 00			202, 181, 641. 56	357, 896, 657. 11
Greece	32, 183, 000. 00	3, 091, 936. 01	31, 516, 000. 00	667, 000. 00	981, 000. 00	948, 860. 00			2, 922. 67	1, 159, 153. 34
Hungary	1, 965, 632. 75	468, 166. 32	1, 908, 560. 00	57, 072. 75	73, 995. 50	393, 717. 78				753. 04
Italy	2, 007, 406, 125. 00	97, 584, 421. 90	2, 004, 900, 000. 00	2, 506, 125. 00	37, 100, 000. 00	2, 521, 250. 00			364, 319. 28	57, 598, 852. 62
Latvia	7, 094, 654. 16	634, 166. 79	6, 888, 664. 20	205, 989. 96		503, 337. 84				130, 828. 95
Liberia		36, 471. 56							26, 000. 00	10, 471. 56
Lithuania	[3] 6, 383, 612. 46	1, 128, 580. 22	6, 197, 682. 00	185, 930. 46	231, 783. 00	892, 250. 25				1, 546. 97
Nicaragua	355, 627. 99	168, 783. 13					290, 627. 99	65, 000. 00	141, 221. 15	27, 561. 98
Poland	212, 218, 835. 00	22, 646, 297. 55	206, 057, 000. 00	6, 161, 835. 00	1, 287, 297. 37	19, 310, 775. 90				2, 048, 224. 28
Rumania	[2] 63, 860, 560. 43	4, 761, 945. 76	63, 860, 560. 43		2, 700, 000. 00				1, 798, 632. 02	263, 313. 74
Russia	327, 583, 071. 37	[4] 8, 748, 878. 87					192, 601, 297. 37	134, 981, 774. 00		8, 748, 878. 87
Yugoslavia	61, 625, 000. 00	2, 588, 771. 69	61, 625, 000. 00		1, 225, 000. 00				727, 712. 55	636, 059. 14
	11, 793, 172, 630. 78	2, 627, 580, 897. 72	[5] 11,261,176,719.57	[6] 184,440,108.36	143, 310, 743. 87	1, 230, 926, 551. 96	201, 851, 842. 85	142, 703, 960. 00	281, 989, 667. 78	671, 353, 931. 11

[1] Payments of governments which have funded were made prior to the dates of the funding agreements.

[2] Difference between principal of funded debt and amount here stated represents deferred payments provided for in the funding agreements, for which gold bonds of the respective debtor governments have been or will be delivered to the Treasury.

[3] Increase over amount funded due to exercise of options to pay one-half of interest due on original issue of bonds in bonds of debtor governments.

[4] Represents proceeds of liquidation of financial affairs of Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country, appear in the Annual Report of the Secretary of the Treasury for the fiscal year 1922, as Exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission, Exhibit 2, p. 84.)

[5] Includes principal amounts postponed under provisions of joint resolution of Dec. 23, 1931 (for amounts postponed see p. 35 of this report), and $130,000 due from Greece on July 1, 1932, and postponed under provisions of debt agreement, and $227,000 due from Greece on Nov. 10, 1932, which is in default.

[6] Includes accrued interest postponed under provisions of joint resolution of Dec. 23, 1931 (for amounts postponed see p. 35 of this report), and $217,920 due from Greece on Nov. 10, 1932, which is in default.

TABLE 47.—*Estimated money cost of the World War to the United States Government to June 30, 1932*

To June 30, 1921[1] (revised)	$25, 749, 000, 000
Continuing costs:	
Veterans' Administration	5, 517, 000, 000
Interest on war debt	8, 509, 000, 000
Settlement of war claims act of 1928	88, 000, 000
Total to June 30, 1932	39, 863, 000, 000

[1] The President, under proclamation dated Nov. 14, 1921, declared the end of the war with Germany to be July 2, 1921, the date on which the joint resolution of Congress terminating the state of war was approved. The figures contained herein are on the basis of warrants issued. They make allowance for estimated normal expenditures under the War and Navy Departments on a peace-time basis, receipts on account of the sale of war supplies and surplus Government property, and assets held on June 30, 1921, a large part of which has subsequently been converted into cash and covered into the Treasury. Necessarily some of the figures represent approximations, since no cost records relating to the war were maintained. Details will be found on pp. 609 to 612 of the annual report for 1930.

TABLE 48.—*Estimated amount of securities outstanding, interest on which is wholly exempt from normal income tax and surtax of the Federal Government, by years, on December 31, 1912 to 1931, by type of obligor*

TOTAL OUTSTANDING ISSUES

[000,000 omitted]

Year	Total	States, counties, cities, etc.[1]	Territories and insular possessions	United States Government [2]	Federal farm loan system [3]
December 31, 1912	$4, 957	$3, 957	$35	$965	
1913	5, 516	4, 514	35	967	
1914	5, 757	4, 751	37	969	
1915	6, 131	5, 121	39	971	
1916	6, 574	5, 558	44	972	
1917	[4] 8, 510	5, 977	45	[4] 2, 461	$27
1918	8, 763	6, 257	46	2, 307	153
1919	[4] 10, 446	6, 815	48	[4] 3, 235	348
1920	[4] 10, 927	7, 440	57	[4] 3, 038	392
1921	[4] 11, 850	8, 509	76	[4] 2, 749	516
1922	12, 495	9, 233	119	2, 294	849
1923	13, 712	10, 101	125	2, 294	1, 192
1924	15, 337	11, 512	131	2, 294	1, 400
1925	16, 426	12, 557	144	2, 168	1, 557
1926	17, 429	13, 376	156	2, 164	1, 733
1927	18, 587	14, 180	169	2, 165	1, 773
1928	19, 581	15, 442	164	2, 167	1, 808
1929	21, 698	16, 556	167	3, 165	1, 810
1930	23, 041	17, 559	166	3, 485	1, 831
1931	25, 265	18, 301	164	5, 011	1, 789
HELD IN SINKING FUNDS OR OWNED BY UNITED STATES GOVERNMENT					
December 31, 1912	$616	$615	$1		
1913	682	681	1		
1914	748	747	1		
1915	798	797	1		
1916	859	858	1		
1917	969	968	1		
1918	1, 116	1, 054	1		$61
1919	1, 306	1, 167	1		138
1920	1, 465	1, 282	1		182
1921	1, 586	1, 399	4		183
1922	1, 633	1, 516	4		113
1923	1, 718	1, 639	7		102
1924	1, 871	1, 757	12		102
1925	1, 996	1, 902	15		79
1926	2, 056	2, 038	14		4
1927	2, 179	2, 161	18		
1928	[4] 2, 326	[4] 2, 308	18		
1929	[4] 2, 467	[4] 2, 455	12		
1930	[4] 2, 616	[4] 2, 606	10		
1931	2, 729	2, 718	11		

For footnotes, see p. 439.

TABLE 48.—*Estimated amount of securities outstanding, interest on which is wholly exempt from normal income tax and surtax of the Federal Government, by years, on December 31, 1912 to 1931, by type of obligor*—Continued

NET OUTSTANDING ISSUES

[000,000 omitted]

Year	Total	States, counties, cities, etc.[1]	Territories and insular possessions	United States Government [2]	Federal farm loan system [3]
December 31, 1912	$4,341	$3,342	$31	$965	------------
1913	4,834	3,833	34	967	------------
1914	5,009	4,001	36	969	------------
1915	5,333	4,321	38	971	------------
1916	5,715	4,700	43	972	------------
1917	[4] 7,541	5,009	44	[4] 2,461	$27
1918	7,647	5,203	45	2,307	92
1919	[4] 9,140	5,648	47	[4] 3,235	210
1920	[4] 9,462	6,158	56	[4] 3,038	210
1921	[4] 10,264	7,110	72	[4] 2,749	333
1922	10,862	7,717	115	2,291	736
1923	11,964	8,462	118	2,294	1,090
1924	13,466	9,755	149	2,294	1,298
1925	14,430	10,655	129	2,168	1,478
1926	15,373	11,338	142	2,164	1,729
1927	16,408	12,319	151	2,165	1,773
1928	[4] 17,255	[4] 13,134	146	2,167	1,808
1929	[4] 19,231	[4] 14,101	155	3,165	1,810
1930	[4] 20,425	[4] 14,953	156	3,485	1,831
1931	22,536	15,583	153	5,011	1,789

[1] Includes estimated amount of outstanding floating debt of States, counties, cities, etc.
[2] Includes short-term debt in the form of Treasury bills, certificates of indebtedness, and Treasury notes.
[3] Does not include stocks.
[4] Revised.

TABLE 49.—*United States securities outstanding, interest on which is exempt from normal income tax of the Federal Government, on June 30 and December 31, 1917 to 1932*[1]

[000,000 omitted]

[On basis of daily Treasury statements (revised), see p. 337]

Year	June 30	December 31	Year	June 30	December 31
1917	------------	$4,655	1925	$17,940	$17,727
1918	$9,599	18,515	1926	17,016	16,454
1919	22,439	22,360	1927	15,728	15,182
1920	20,949	20,707	1928	14,690	14,343
1921	20,803	20,440	1929	13,864	13,137
1922	20,417	20,189	1930	11,573	11,508
1923	19,714	19,350	1931	11,814	12,125
1924	18,688	18,418	1932	12,068	----------

[1] Revised.

TABLE 50.—*Net expenditures for Federal aid to States, on basis of warrants issued for the fiscal year 1920 and checks issued for the fiscal years 1931 and 1932, and amounts appropriated for the fiscal year 1933, classified by appropriations from which direct payments are made to States and by the more important of the appropriations providing for expenditures by the Government in cooperation with States, municipalities, and other civil organizations for investigative, regulatory, protective, or construction work*

[Item numbers refer to Exhibit 72, p. 437 of the annual report for 1930, which lists the appropriations providing for Federal aid to States, and presents by class of appropriation the reference to the organic or first appropriation act, the last appropriation act up to and including 1931, and summaries of allotments and expenditures]

Item No.	Appropriation titles	1920	1931	1932	1933 [1]
	I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES				
	INDEPENDENT OFFICES				
	Federal Board for Vocational Education				
1	Cooperative vocational education in agriculture	$707,130.02	$3,423,268.36	$3,721,966.97	$3,505,729.00
	Cooperative vocational education in trades and industries	780,096.35	2,948,890.93	2,989,447.83	2,776,428.50
	Cooperative vocational education, teachers, etc	619,556.42	1,042,127.64	1,076,042.14	1,001,714.00
	Cooperative vocational education in home economics		484,379.40	745,227.77	771,428.50
2	Cooperative vocational rehabilitation of persons disabled in industry		815,665.32	997,908.68	1,097,000.00
		2,106,782.79	8,714,331.65	9,530,593.39	9,152,300.00
	Federal Power Commission				
3	Payment to States under Federal water power act		159,133.65	70,567.21	[2] 72,750.00
	Interdepartmental Social Hygiene Board				
4	Payments for prevention and research, venereal diseases	1,759,262.72			
	Veterans' Administration				
	State and Territorial homes for disabled soldiers and sailors			[3] 785,946.91	[3] 722,000.00
	DEPARTMENT OF AGRICULTURE				
5	Payment to States, Hawaii, and Alaska for agricultural experiment stations (formerly carried under titles: "General expenses, States Relations Service," for 1920-1923; "General expenses, Office of Experiment Stations," for 1924-1926, "Payment to States for agricultural experiment stations," for 1927-1929, and "Payment to States and Hawaii for agricultural experiment stations" for 1930-1931)	1,440,000.00	4,340,000.00	4,356,591.65	4,374,000.00
6	Cooperative agricultural extension work	4,471,593.71	8,650,229.21	8,633,248.27	8,728,096.00
7	Payments to States and Territories from the national forests fund	1,069,886.88	1,677,559.30	1,240,608.99	[2] 1,240,000.00
8	Payments to school funds, Arizona and New Mexico, national forests fund	78,867.32	41,316.03	30,884.14	[2] 40,000.00
9	Forest-fire cooperation		1,639,096.32	1,717,049.14	1,611,580.00
	Cooperative distribution of forest planting stock		76,061.38	96,406.78	79,960.00

For footnotes, see p. 442.

TABLE 50.—*Net expenditures for Federal aid to States, on basis of warrants issued for the fiscal year 1920 and checks issued for the fiscal years 1931 and 1932, and amounts appropriated for the fiscal year 1933, classified by appropriations from which direct payments are made to States and by the more important of the appropriations providing for expenditures by the Government in cooperation with States, municipalities, and other civil organizations for investigative, regulatory, protective, or construction work*—Continued

Item No.	Appropriation titles	1920	1931	1932	1933
	I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES—Continued				
	DEPARTMENT OF AGRICULTURE—con.				
10	Cooperative construction of rural post roads (See also items 24, 25, and 26 under Class II.)	$20,305,622.75	$135,592,660.17	$129,805,331.82	$150,000,000.00
	Federal-aid highway system, advances to States		24,296,266.21	58,912,432.48	[4] 120,000,000.00
		27,365,970.66	172,313,188.65	204,792,556.27	286,073,636.00
	DEPARTMENT OF THE INTERIOR				
11	Colleges for agriculture and mechanic arts	2,500,000.00	2,550,000.00	2,550,000 00	2,550,000.00
12	Payments to States from receipts under mineral leasing act		1,776,583.63	1,317,480.68	[2] 1,000,000 00
13	5 per cent funds to States (public lands)		25,418.48	11,93.08	[2] 10,000.00
14	Payments to certain counties of Oregon and Washington in lieu of accrued taxes, 1916–1926, against Oregon and California land-grant lands		3,855.57	(5)	(5)
15	Coos Bay wagon-road-grant fund		[6] 66,654.48	6,079.40	10,000.00
16	The Oregon and California land-grant fund		525,214.22	745,778.97	575,000.00
17	Payment to Oklahoma from royalties, oil and gas, south half of Red River		34,308.10	29,700.29	[2] 27,000.00
		2,500,000.00	4,982,064.48	4,660,942.42	4,172,000.00
	DEPARTMENT OF LABOR				
18	Promotion of welfare and hygiene of maternity and infancy [6]		(6)	(6)	(6)
	NAVY DEPARTMENT				
19	State marine schools, act Mar. 4, 1911	176,689.36	125,000.00	100,000.00	217,600.00
	TREASURY DEPARTMENT				
21	To promote the education of the blind (American Printing House for the Blind)	30,000.00	74,999.98	75,000.00	75,000.00
	WAR DEPARTMENT				
22	National Guard appropriations [7]	2,663,485.27	34,715,348.17	34,777,555.26	31,263,565.00
23	State and Territorial homes for disabled soldiers and sailors	1,094,584.44	452,488.53	(3)	(3)
		3,758,069.71	35,167,836.70	34,777,555.26	31,263,565.00
	Total, Class I	37,696,775.24	221,536,555.11	254,793,161.46	331,748,851.00

For footnotes, see p. 442.

TABLE 50.—*Net expenditures for Federal aid in States, on basis of warrants issued for the fiscal year 1920 and checks issued for the fiscal years 1931 and 1932, and amounts appropriated for the fiscal year 1933, classified by appropriations from which direct payments are made to States and by the more important of the appropriations providing for expenditures by the Government in cooperation with States, municipalities, and other civil organizations for investigative, regulatory, protective, or construction work*—Continued

Item No.	Appropriation titles	1920	1931	1932	1933 [1]
	II. APPROPRIATIONS FOR COOPERATIVE WORK WITH STATES				
	DEPARTMENT OF AGRICULTURE				
24	Cooperative construction, etc., of roads and trails, national forests	$1, 699, 043. 82			
25	Federal forest road construction	2, 550, 513. 26			
26	Forest roads and trails		$10, 824, 216. 65	$12, 287, 546. 06	$8, 905, 000. 00
27	Cooperative fire protection of forested watersheds of navigable streams	86, 886. 73			
28	Cooperative farm forestry		64, 424. 32	67, 066. 41	69, 850. 00
		4, 336, 443. 81	10, 888. 640. 97	12, 354, 612. 47	8, 974, 850. 00
	TREASURY DEPARTMENT				
	Public Health Service				
29	Preventing the spread of epidemic diseases	495, 792. 75	257, 394. 92	280, 549. 66	350, 000. 00
30	Interstate quarantine service	5, 097. 70	63, 783. 98	67, 511. 80	39, 214. 00
31	Studies of rural sanitation	64, 527. 64	565, 378. 95	[8] 1, 929, 417. 29	300, 000. 00
		565, 418. 09	886, 557. 85	2, 277, 478. 75	689, 214. 00
	Total, Class II	4, 901, 861. 90	11, 775, 198. 82	14, 632. 091. 22	9, 664. 064. 00
	Grand total	12, 598, 637. 14	233, 311, 753. 93	269, 425, 252. 68	341, 412, 915. 00

[1] In addition to the amounts appropriated for the service for the fiscal year 1933, as shown in this column, there are under many of the titles unexpended balances of appropriations provided for previous fiscal years, which are available for expenditure during 1933 to meet outstanding obligations incurred in such previous years.

[2] Indefinite (special fund) appropriation based on certain receipts—estimated amount for 1933, as shown in the Budget.

[3] Transferred from War Department to Veterans' Administration by Executive order of July 21, 1931; see Veterans' Administration.

[4] This appropriation is made in the emergency relief and construction act of 1932, approved July 21, 1932 (47 Stat., p. 722), which act provides that the amounts advanced shall be reimbursed over a period of 10 years, commencing with the fiscal year 1938, by making annual deductions from regular apportionments under future authorizations.

[5] Payments now chargeable against the special fund appropriation "The Oregon and California land grant fund." (See item 16.)

[6] Activities expired June 30, 1929.

[7] Includes certain administrative expenses under War Department, as provided for under national defense act of June 3, 1916, as amended.

[8] Includes medical supplies and relief in drought-stricken areas.

NOTE.—Data for years 1921 to 1930 are shown in the annual report for 1930, pp. 617–622.

TABLE 51.—*Expenditures made by the Government as direct payments to States under cooperative arrangements during the fiscal year 1932* [1]

[The records of the Treasury Department, except in the cases mentioned in notes at end of this statement, do not show the amounts disbursed or allotted to the States under the respective appropriations shown in this statement, such matters being under the control of the department or establishment of the Government that administers the activities covered by the appropriations. The department, however, for general information, has compiled, from its records so far as available, and in the other cases from figures furnished by the departments and establishments concerned, the following statement, exhibiting by States and Territories the amounts paid to each under the appropriations for Federal aid to States shown under Class I in the preceding statement (Table 50.) Any discrepancies between this and the preceding table are due to unavoidable differences in the bases upon which these figures have been compiled. The amounts in this table, derived from the accounts of various departments and establishments, are not on the same accounting bases, and are consequently not strictly comparable. This table includes only direct payments to States and does not include amounts expended in cooperation with States, appropriations for certain of which are included under Class II, Table 50.]

States, etc.	Under Department of Agriculture							
	Payments for agricultural experiment stations	Cooperative agricultural extension work	Payments from the national forests fund	Payments to school funds, Arizona and New Mexico, national forests funds	Forest fire cooperation	Cooperative distribution of forest planting stock	Cooperative construction of rural post roads	Federal-aid highway system, advances for emergency construction
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	$90,000.00	$277,112.96	$136.38		$40,253.37	$231.25	$1,149,558.66	$969,606.30
Alaska	15,000.00	10,000.00	12,931.37					
Arizona	90,000.00	73,765.19	68,919.57	$30,358.89			2,445,249.48	726,446.32
Arkansas	90,000.00	233,759.26	20,035.70				2,443,071.02	518,171.59
California	90,000.00	213,925.57	280,824.46		170,498.00	437.00	5,013,452.92	2,242,004.08
Colorado	90,000.00	104,162.94	135,212.00			1,927.50	2,811,478.24	1,057,295.97
Connecticut	90,000.00	91,486.87			11,608.00	2,660.00	1,126,049.01	443,414.17
Delaware	89,640.54	43,214.70			1,318.00	2,000.00	512,060.63	310,552.78
District of Columbia								
Florida	90,000.00	130,086.55	10,059.76		65,826.12	2,210.00	1,215,206.16	914,802.40
Georgia	90,000.00	367,846.81	2,170.21		57,689.97	2,000.00	3,838,366.77	990,521.99
Hawaii	21,951.14	51,949.48			466.00	3,400.00	391,220.01	185,314.34
Idaho	90,000.00	79,183.48	133,081.12		69,251.00	913.00	1,682,385.02	803,647.38
Illinois	90,000.00	286,572.41					5,788,526.83	3,127,381.12
Indiana	90,000.00	221,434.42			7,560.00	3,637.71	4,134,264.18	1,706,606.09
Iowa	90,000.00	228,057.73				2,000.00	2,546,601.73	1,287,728.45
Kansas	90,000.00	188,512.25				2,000.00	3,291,566.93	1,255,105.84
Kentucky	90,000.00	269,203.47			18,780.00	1,785.00	1,919,897.63	1,020,255.46
Louisiana	90,000.00	197,917.54	1.63		51,810.00	2,175.81	2,049,281.07	958,079.93
Maine	90,000.00	94,576.78	803.59		54,732.00	868.49	1,661,568.68	581,781.91
Maryland	90,000.00	121,303.51			12,203.00	2,230.00	895,565.36	485,527.14
Massachusetts	90,000.00	85,956.57			31,991.25	3,150.00	2,492,975.93	960,587.21
Michigan	90,000.00	228,631.38	982.66		131,320.00	2,820.00	4,423,552.30	2,352,100.91
Minnesota	90,000.00	201,210.26	8,883.64		98,413.00		3,608,442.80	2,042,338.59
Mississippi	90,000.00	255,122.08			18,731.53	428.36	1,372,689.21	1,100,507.85

For footnote, see p. 411.

TABLE 51.—*Expenditures made by the Government as direct payments to States under cooperative arrangements during the fiscal year 1932*[1]—Continued

States, etc.	Under Department of Agriculture							
	Payments for agricultural experiment stations (1)	Cooperative agricultural extension work (2)	Payments from the national forests fund (3)	Payments to school funds, Arizona and New Mexico, national forests funds (4)	Forest fire cooperation (5)	Cooperative distribution of forest planting stock (6)	Cooperative construction of rural post roads (7)	Federal-aid highway system, advances for emergency construction (8)
Missouri	$90,000.00	$267,006.88					$2,913,232.61	$1,703,975.40
Montana	90,000.00	90,876.47	$67,151.98		$30,115.00	$2,250.00	3,129,106.02	1,004,619.38
Nebraska	90,000.00	155,475.15	2,106.12			3,880.00	3,772,318.33	1,211,377.44
Nevada	90,000.00	46,190.03	25,930.69		1,220.00		1,768,195.22	748,961.09
New Hampshire	90,000.00	59,012.54	11,578.46		18,012.00	2,911.00	490,588.14	400,000.00
New Jersey	90,000.00	123,013.64			28,140.00	1,000.00	889,185.74	670,131.06
New Mexico	90,000.00	76,295.41	32,211.46	$525.25	2,306.82		1,878,853.65	484,163.74
New York	90,000.00	289,054.60			77,191.00	4,000.00	14,167,966.22	3,781,881.24
North Carolina	90,000.00	331,687.11	4,753.91		50,090.64	2,360.00	2,366,819.85	1,272,659.35
North Dakota	90,000.00	115,583.71				2,660.00	1,931,074.18	1,094,720.20
Ohio	90,000.00	296,331.67			7,491.00	3,290.00	4,238,550.62	2,389,217.07
Oklahoma	90,000.00	238,512.91	1,511.78		16,670.00	2,470.00	2,086,708.87	1,244,186.13
Oregon	90,000.00	102,714.75	122,557.51		101,692.00	2,000.00	1,828,565.82	1,022,272.74
Pennsylvania	90,000.00	395,170.87	3,331.38		51,314.00	4,000.00	5,179,419.90	3,240,589.63
Philippine Islands								
Puerto Rico			63.75			2,910.00		
Rhode Island	90,000.00	31,540.56			2,110.00		976,232.71	400,000.00
South Carolina	90,000.00	214,112.13	635.97		28,978.83	1,759.23	1,109,926.16	488,368.01
South Dakota	90,000.00	111,111.87	32,099.22		1,125.00		2,186,085.52	1,051,415.51
Tennessee	90,000.00	261,246.65	3,015.35		25,320.00	2,314.35	1,791,839.91	817,027.06
Texas	90,000.00	481,357.86			42,205.00		8,447,826.24	3,646,122.11
Utah	90,000.00	70,701.03	58,054.73			1,300.00	1,276,689.88	705,651.64
Vermont	90,000.00	68,619.40			7,891.00	2,060.00	539,752.15	333,929.73
Virginia	90,000.00	219,678.15	5,853.76		35,730.00	2,160.04	1,841,862.21	995,735.74
Washington	90,000.00	121,329.98	115,171.01		111,543.00	2,060.00	2,160,875.62	978,352.59
West Virginia	90,000.00	181,935.94	473.82		31,348.00	2,150.00	1,758,953.68	805,471.62
Wisconsin	90,000.00	209,646.45	1.56		48,983.00	2,000.00	2,739,618.37	1,539,323.09
Wyoming	90,000.00	58,828.62	80,055.41			1,522.50	1,804,061.52	813,051.00
Total	4,356,591.65	8,649,649.90	1,240,608.99	30,881.14	1,573,093.50	90,211.21	127,367,119.74	58,912,432.48

[1] Columns 1 to 8, inclusive, based upon figures furnished by Department of Agriculture; columns 9 to 13, inclusive, and column 17, based upon warrants issued by Treasury Department; column 14 based upon figures furnished by the American Printing House for the Blind; column 15 based upon figures furnished by the Chief of the Militia Bureau, War Department; column 16 based upon figures furnished by the Federal Board for Vocational Education; column 18 based upon figures furnished by the Director of Finance, Veterans' Administration.

States, etc.	Under Department of the Interior				Under Navy Department	Under Treasury Department	Under War Department	Under Federal Board for Vocational Education	Under Federal Power Commission	Under Veterans' Administration	Total
	Colleges for agriculture and mechanic arts	Payments from receipts under mineral leasing act	5 per cent funds to States (lands)	Payments under certain special funds [2]	State marine schools	To promote the education of the blind, American Printing House for the Blind	National Guard	Cooperative vocational education and rehabilitation	Payments under Federal water power act	State and Territorial homes for disabled soldiers and sailors	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Alabama	$50,000.00	$1,669.88	$71.32			$3,293.39	$608,971.72	$241,035.00	$39.51		$3,734,979.74
Alaska	50,000.00								627.11		88,558.48
Arizona	50,000.00	37.99	816.16			193.02	173,369.94	53,315.33	145.60		3,712,617.49
Arkansas	50,000.00		581.61			1,616.54	456,530.01	174,648.86	1,201.20		3,989,615.85
California	50,000.00	325,945.99	1,529.99		$25,000.00	1,785.42	1,127,499.01	412,778.93	45,848.15	$112,439.18	10,113,968.70
Colorado	50,000.00	31,292.03				747.95	353,464.99	82,121.56	280.72	10,518.60	4,731,502.50
Connecticut	50,000.00					772.08	731,456.14	88,685.74		53,329.12	2,691,201.13
Delaware	50,000.00						122,455.98	29,164.25			1,160,406.85
District of Columbia							119,154.88				149,154.88
Florida	50,000.00		561.82			989.22	483,397.12	114,381.08	.04		3,137,523.27
Georgia	50,000.00					1,218.43	586,410.25	266,862.11			6,193,086.54
Hawaii	50,000.00					180.96	210,865.70	36,767.38			952,145.01
Idaho	50,000.00	2,284.69	1,221.52			265.40	285,731.31	53,594.55	5,072.23	8,416.20	3,265,079.90
Illinois	50,000.00					3,812.13	1,525,763.99	554,010.09		53,259.50	11,479,329.07
Indiana	50,000.00					1,773.36	868,168.36	252,441.11		9,477.60	7,345,362.86
Iowa	50,000.00					1,737.17	603,240.07	210,053.52		28,246.20	5,047,664.87
Kansas	50,000.00					1,387.33	654,716.41	129,555.22		8,749.80	5,671,593.78
Kentucky	50,000.00					1,700.98	476,607.72	221,786.36			4,103,016.62
Louisiana	50,000.00	1,693.91	74.01			1,363.20	357,234.91	174,793.60			3,934,425.67
Maine	50,000.00						414,437.90	55,224.72			3,006,994.07
Maryland	50,000.00					1,737.17	580,514.59	100,486.75			2,339,567.52
Massachusetts	50,000.00				25,000.00	3,353.71	1,591,818.59	237,501.27		50,364.26	5,628,698.82
Michigan	50,000.00		27.20			3,293.39	845,282.27	345,461.45	5.51	34,014.10	8,507,521.17
Minnesota	50,000.00					1,725.11	893,531.20	222,751.58	9.90	31,000.23	6,648,336.31
Mississippi	50,000.00					989.22	285,815.26	202,418.93			3,376,705.44

[2] Payments shown in this column were from following special fund appropriations:

Oklahoma—"Payment to Oklahoma from royalties, oil and gas, south half of Red River" $29,700.29

Oregon—
"Coos Bay Wagon Road Grant Fund" 6,079.40
"The Oregon and California Land Grant Fund" 745,559.51

751,638.91

TABLE 51.—*Expenditures made by the Government as direct payments to States under cooperative arrangements during the fiscal year 1932*—Continued

States, etc.	Under Department of the Interior				Under Navy Department	Under Treasury Department	Under War Department	Under Federal Board for Vocational Education	Under Federal Power Commission	Under Veterans' Administration	Total
	Colleges for agriculture and mechanic arts	Payments from receipts under mineral leasing act	5 per cent funds to States (lands)	Payments under certain special funds	State marine schools	To promote the education of the blind, American Printing House for the Blind	National Guard	Cooperative vocational education and rehabilitation	Payments under Federal water power act	State and Territorial homes for disabled soldiers and sailors	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Missouri	$50,000.00					$1,218.13	$789,188.00	$262,573.50		$3,890.70	$6,111,388.52
Montana	50,000.00	$31,838.81	$1,059.26			217.15	175,042.97	50,884.10	$137.34	4,874.10	5,031,202.58
Nebraska	50,000.00					627.31	252,127.20	118,247.31		13,103.40	5,669,262.56
Nevada	50,000.00	30.00	312.83				21,121.61	30,207.45	58.01		2,722,556.96
New Hampshire	50,000.00						175,035.44	31,605.35		5,258.70	1,334,031.63
New Jersey	50,000.00					470.49	881,030.14	276,937.06		20,808.56	3,033,776.69
New Mexico	50,000.00	61,287.27	566.69			1,278.75	234,777.01	51,002.37			2,963,268.42
New York	50,000.00				$25,000.00	1,656.59	3,663,639.73	838,520.32		917.40	19,992,830.10
North Carolina	50,000.00					2,931.48	596,879.51	284,938.03	47.93		5,053,167.78
North Dakota	50,000.00	8,185.42	91.68			422.23	155,935.96	75,667.84		1,926.30	3,526,577.52
Ohio	50,000.00					1,415.31	1,485,759.24	483,221.30		87,202.93	9,135,482.14
Oklahoma	50,000.00		51.00	$29,700.29		1,978.14	980,619.55	216,428.23		6,506.70	4,965,379.90
Oregon	50,000.00		203.08	751,638.91		1,290.82	513,763.61	77,604.70	7,804.95	9,881.26	4,684,390.15
Pennsylvania	50,000.00				25,000.00	5,250.77	2,275,301.91	630,123.55	35.25	37,395.00	11,989,944.26
Philippine Islands						241.27					241.27
Puerto Rico	50,000.00						191,180.71	45,000.00	39.97		289,221.43
Rhode Island	50,000.00						371,973.23	48,984.02		6,726.60	1,980,867.15
South Carolina	50,000.00					1,242.56	361,382.25	150,655.53			2,797,390.70
South Dakota	50,000.00	210.00	21.57			603.18	254,548.46	69,063.37	32.06	11,238.60	4,161,784.36
Tennessee	50,000.00					2,883.22	510,147.88	214,692.47	.86		3,531,517.75
Texas	50,000.00					4,210.25	1,587,181.37	456,868.15			14,806,670.99
Utah	50,000.00	31,759.98	872.55			410.16	526,011.66	11,881.95	1,358.97		2,857,095.55
Vermont	50,000.00						162,786.59	38,359.97		4,680.00	1,298,021.84
Virginia	50,000.00					1,290.82	655,397.04	205,633.38	20.82		4,133,301.94
Washington	50,000.00	1,840.45	3,147.91			1,121.93	563,390.03	106,264.62	6,285.91	43,839.46	4,295,165.51
West Virginia	50,000.00					1,604.47	248,120.82	128,319.88			3,298,381.23
Wisconsin	50,000.00		148.85			2,690.21	863,546.98	243,334.18	1,429.80	14,521.46	5,805,243.95
Wyoming	50,000.00	813,473.58	511.00				149,939.39	37,701.47	85.37	1,385.70	3,900,555.59
Total	2,550,000.00	1,317,850.03	11,903.08	781,339.20	100,000.00	75,000.00	33,065,869.70	9,510,625.52	70,567.21	674,031.66	250,377,778.01

NOTE.—This statement does not include appropriations made by Congress for direct relief or loans to States on account of floods, hurricanes, fires, drought, etc.

PERSONNEL

TABLE 52.—*Number of employees in the departmental service of the Treasury in Washington, by months, from June 30, 1931, to June 30, 1932* [1]

Bureau, office, or division	June	July	August	September	October	November	December
Accounts and Deposits	33	33	34	33	32	34	34
Appointments	37	36	36	36	34	34	34
Bond roll (miscellaneous)	4	4	4	4	4	4	4
Bookkeeping and Warrants	68	72	72	73	73	74	75
Budget	36	36	36	36	36	36	35
Chief Clerk	432	437	437	438	438	437	436
Coast Guard	183	185	188	189	194	195	194
Comptroller of Currency	172	171	172	172	172	171	171
Customs	195	193	194	195	193	191	192
Disbursing Clerk	26	26	26	26	26	26	26
Engraving and Printing	4,501	4,499	4,495	4,507	4,501	4,491	4,482
Federal Farm Loan	139	139	140	140	139	136	136
Industrial Alcohol	153	154	154	153	152	152	152
Internal Revenue	3,433	3,437	3,428	3,429	3,429	3,422	3,420
Loans and Currency	895	890	891	887	901	899	896
Mint	13	13	13	13	13	13	13
Narcotics	104	105	105	105	104	104	104
Public Debt	25	25	25	25	25	25	25
Public Debt Accounts and Audits	117	116	116	116	116	116	116
Public Debt (miscellaneous)	37	37	37	36	36	36	36
Public Health	197	199	198	198	198	200	199
Register of the Treasury	349	316	347	346	345	345	344
Secret Service	11	12	12	12	12	12	12
Secretary	44	44	44	41	45	45	45
Supervising Architect	720	740	757	762	770	777	781
Supply	206	196	196	195	197	198	197
Treasurer of the United States	893	937	928	926	915	906	907
Total	13,023	13,082	13,085	13,096	13,100	13,079	13,065

Bureau, office, or division	January	February	March	April	May	June	Increase (+) or decrease (−) during year
Accounts and Deposits	35	35	35	34	35	44	+11
Appointments	34	31	31	31	31	23	−14
Bond roll (miscellaneous)	4	4	4	5	5	6	+2
Bookkeeping and Warrants	74	71	76	76	75	75	+7
Budget	35	35	35	35	35	32	−4
Chief Clerk	436	436	435	437	437	438	+6
Coast Guard	195	195	196	196	196	196	+13
Comptroller of Currency	274	281	293	309	313	319	+147
Customs	193	189	189	187	186	194	−1
Disbursing Clerk	26	26	26	26	26	26	
Engraving and Printing	4,488	4,482	4,479	4,473	4,461	4,412	−89
Federal Farm Loan	137	137	135	137	138	139	
Industrial Alcohol	152	152	152	152	152	152	−1
Internal Revenue	3,415	3,425	3,421	3,421	3,419	3,405	−28
Loans and Currency	898	895	895	891	893	889	−6
Mint	13	13	13	13	13	13	
Narcotics	104	104	104	104	101	105	+1
Public Debt	25	25	25	25	25	25	
Public Debt Accounts and Audits	116	116	116	116	116	116	−1
Public Debt (miscellaneous)	32	32	32	32	32	32	−5
Public Health	199	202	201	201	201	201	+4
Register of the Treasury	344	343	343	343	341	339	−10
Secret Service	11	11	11	11	11	11	
Secretary	45	44	44	44	41	45	+1
Supervising Architect	785	784	788	804	808	805	+85
Supply	197	205	203	204	206	210	+4
Treasurer of the United States	911	904	902	902	899	901	+8
Total	13,178	13,179	13,181	13,209	13,202	13,153	+130

[1] The figures in this table show the actual number of names appearing on pay rolls for the period covering the last half of each month.

TABLE 53.—*Number of employees in the departmental and field services of the Treasury on June 30, 1931, and June 30, 1932*

Bureau, office, or division	June 30, 1931			June 30, 1932			Increase (+) or decrease (−)		
	Departmental	Field	Total	Departmental	Field	Total	Departmental	Field	Total
Coast Guard	183	12, 327	12, 510	196	12, 462	12, 658	+13	+135	+148
Customs	195	9, 706	9, 901	194	9, 296	9, 490	−1	−410	−411
Federal Farm Loan	139	112	251	139	111	250		−1	−1
Industrial Alcohol	153	1, 579	1, 732	152	1, 552	1, 704	−1	−27	−28
Internal Revenue	3, 433	8, 444	11, 877	3, 405	8, 371	11, 776	−28	−73	−101
Mint	13	599	612	13	557	570		−42	−42
Narcotics	104	322	426	105	320	425	+1	−2	−1
Public Debt	1, 423	15	1, 438	1, 407	16	1, 423	−16	+1	−15
Public Health	197	10, 657	10, 854	201	10, 971	11, 172	+4	+314	+318
Secret Service	11	159	170	11	160	171		+1	+1
Supervising Architect	720	7, 084	7, 804	805	8, 085	8, 890	+85	+1, 001	+1, 086
All others	6, 452		6, 452	6, 525		6, 525	+73		+73
Total	13, 023	51, 004	64, 027	13, 153	51, 901	65, 054	+130	+897	+1, 027

TABLE 54.—*Number of persons retired or, eligible for retirement, retained in the departmental and field services of the Treasury to August 31, 1932, under the civil service retirement act and under section 204 of the economy act of June 30, 1932*

Bureau, office, or division	Retained	Retired— On account of age, from Aug. 20, 1920, to Aug. 31, 1932	Retired— On account of disability from Aug. 20, 1920, to Aug. 31, 1932	Retired— Granted annuity under sec. 7	Retired— Total number
DEPARTMENTAL					
Accounts and Deposits		1	1		2
Appointments		1	2	2	5
Auditors		86	11	1	98
Bookkeeping and Warrants		9	5		14
Chief Clerk		71	23	1	95
Coast Guard		7	4		11
Comptroller of the Currency		33	11		44
Customs	2	7	1		8
Disbursing Clerk		1	1		2
Engraving and Printing	1	508	215	13	766
General Supply Committee		1	1		2
Industrial Alcohol	1	3	1		4
Internal Revenue		78	57	6	141
Loans and Currency		36	51		87
Mint		1	1		2
Narcotics		1	1		2
Printing			2		2
Prohibition		5			5
Public Debt Accounts and Audit		1			1
Public Debt Service		6	4		10
Public Health		6	4	1	11
Public Moneys		3	1		4
Register of the Treasury		19	33	1	53
Secret Service		7			7
Secretary			2		2
Supervising Architect	3	37	12	1	50
Supply		6	4		10
Treasurer		84	106		190
War Risk Insurance		14	1		15
Total departmental	7	1, 032	585	26	1, 643
FIELD					
Coast Guard		14	2		16
Custodian		611	186	3	800
Customs	1	1, 111	257	4	1, 372
Industrial Alcohol		38	6	3	47
Internal Revenue		307	72	102	481
Mint and Assay	3	236	33	2	271
Narcotics		1	1		2
Prohibition		16	6	5	27
Public Health		68	30	3	101
Subtreasury		24	3	28	55
Total field	4	2, 426	596	150	3, 172
Grand total	11	3, 458	1, 181	176	4, 815

INDEX

[NOTE.—The year, except when otherwise indicated, refers to the fiscal year ended June 30]

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